

**STATUS OF PROJECTS IN EXECUTION – FY05**  
**SOPE**  
**REGION: EUROPE AND CENTRAL ASIA**  
**COUNTRY: RUSSIAN FEDERATION**

**Operations Policy and Country Services**  
**SEPTEMBER 23, 2005**



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

**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<sup>1</sup> 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.

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<sup>1</sup> 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: Russian Federation**

**Project Name (ID):** Environmental Management (P008821)

**Country:** Russian Fed.

**Board Approval Date:** 11/08/1994

**Midterm Review Date:** 02/10/1999

**Closing Date:** 12/31/2007

**Loan/Credit/Grant Number:** IBRD-38060, SWTZ-03810, SWTZ-20217

**Sector(s):** Other industry (67%), Central government administration (13%), Sub-national government administration (9%), Water supply (6%), Solid waste management (5%)

**Theme(s):** Environmental policies and institutions (P), Pollution management and environmental health (P), Water resources management (P), Other financial and private sector development (P), Administrative and civil service reform (S)

**Project Development Objectives:**

The objectives are to: (i) strengthen and streamline federal and regional institutional structures for environmental and natural resource management; (ii) improve federal and regional environment policy and strategy formulation and implementation; (iii) upgrade environmental and natural resource management systems; (iv) address priority environmental management investment needs through the setting up of initial capitalization of the National Pollution Abatement Facility; (v) assist in the financing of economically viable, high priority resource recovery/pollution abatement projects in the country; and (vi) facilitate the flow of donor funds and resources to the environmental protection sector.

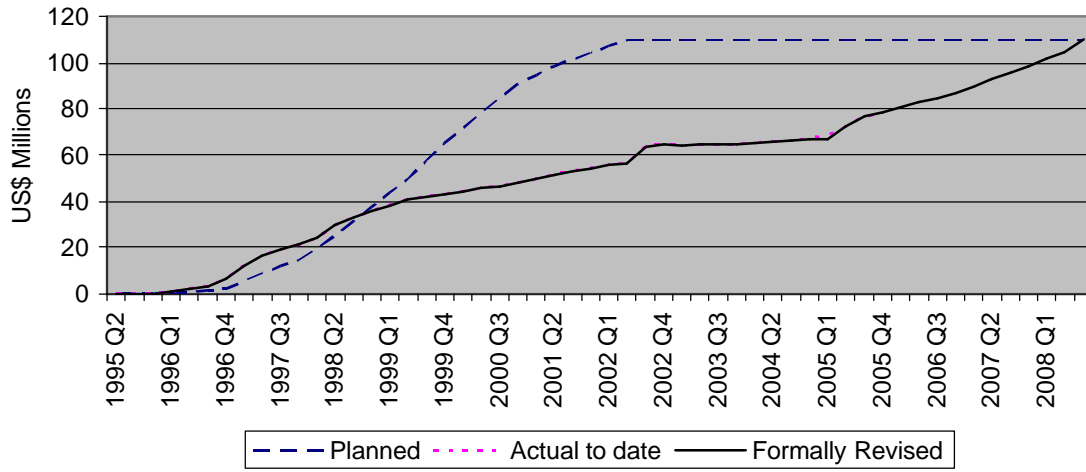
**Progress toward achieving development objective(s):**

The project was restructured in 2002 and the first component was closed. While the National Pollution Abatement Facility (NPAF) has financed a number of important investments to reduce industrial pollution, in the pulp and paper and chemicals sector, progress overall has been slower than expected. Only US\$23 million out of US\$64 million has been invested to-date because of lengthy delays in approval processes and cumbersome on-lending arrangements. An important planned investment, in a closed cycle system for the Baikalsk Pulp and Paper Mill, had to be cancelled. Furthermore, a procedure for re-investment of rapid loans has yet to be developed.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-38060	Effective	110.00	77.68	32.32	0.00
SWTZ-03810	Effective	9.36	1.58	7.56	0.00
SWTZ-20217	Closed	3.00	2.85	0.00	0.15

Status of Projects in Execution - FY05



**Project Name (ID):** Financial Institutions (P008828)  
**Country:** Russian Fed.  
**Board Approval Date:** 05/19/1994  
**Midterm Review Date:** 11/01/1997  
**Closing Date:** 12/31/2005  
**Loan/Credit/Grant Number:** IBRD-37340, IBRD-3734A, JPN-25149  
**Sector(s):** Banking (98%), Central government administration (1%), Law and justice (1%)  
**Theme(s):** State enterprise/bank restructuring and privatization (P), Regulation and competition policy (P), Legal institutions for a market economy (P), Standards and financial reporting (P)

### Project Development Objectives:

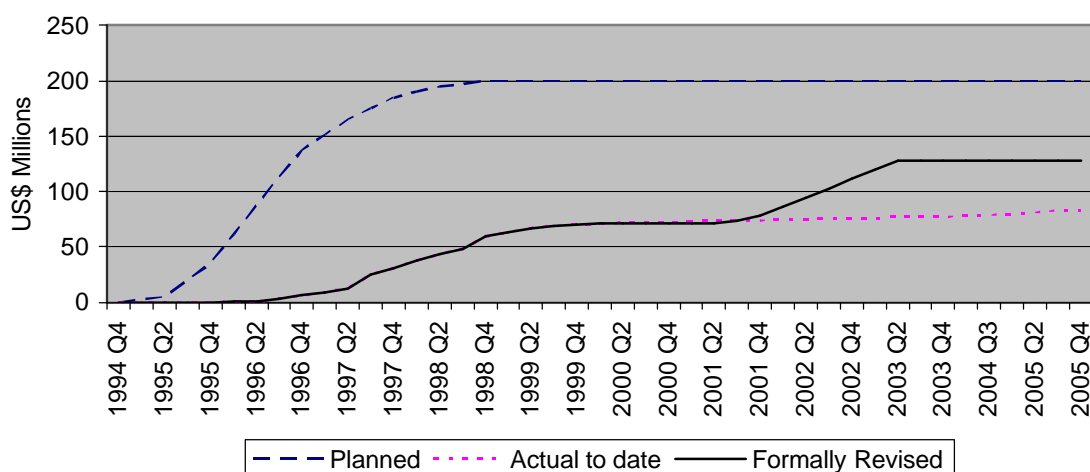
The development objectives are to: (i) increase the quantity and improve the quality of banking services, (ii) promote banking stability, and (iii) contribute to a more efficient allocation of bank credit by modernizing the regulatory framework and strengthening the institutional capabilities of the Russian financial system.

### Progress toward achieving development objective(s):

The project will not achieve the development objectives and its impact on overall financial and banking sector in Russia will be limited due to major implementation delays and broader problems triggered by the Russian financial crisis in 1998. Nevertheless, the project has gone through a series of restructurings during its lifetime and eventually has been scaled down to one component - technical assistance to the Ministry of Finance, Ministry of Economic Development and Trade, the Bank of Russia, and the Deposit Insurance Agency on financial sector reform/strategy. At the end of 2004, activities in this component were slightly expanded to cover further assistance to the Ministry of Finance in formulating a banking sector strategy and developing a new set of legislative and normative acts. Good progress has been made in these activities.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-37340	Effective	12.38	12.38	0.00	0.00
IBRD-3734A	Effective	187.62	70.73	1.78	115.12
JPN-25149	Closed	13.30	8.09	0.00	5.21



**Project Name (ID):** Legal Reform (P008831)

**Country:** Russian Fed.

**Board Approval Date:** 06/13/1996

**Midterm Review Date:** 11/01/1999

**Closing Date:** 12/31/2005

**Loan/Credit/Grant Number:** IBRD-40350, JPN-29492

**Sector(s):** Law and justice (65%), Tertiary education (35%)

**Theme(s):** Access to law and justice (P), Judicial and other dispute resolution mechanisms (P), Legal institutions for a market economy (P), Law reform (S), Legal services (S)

### Project Development Objectives:

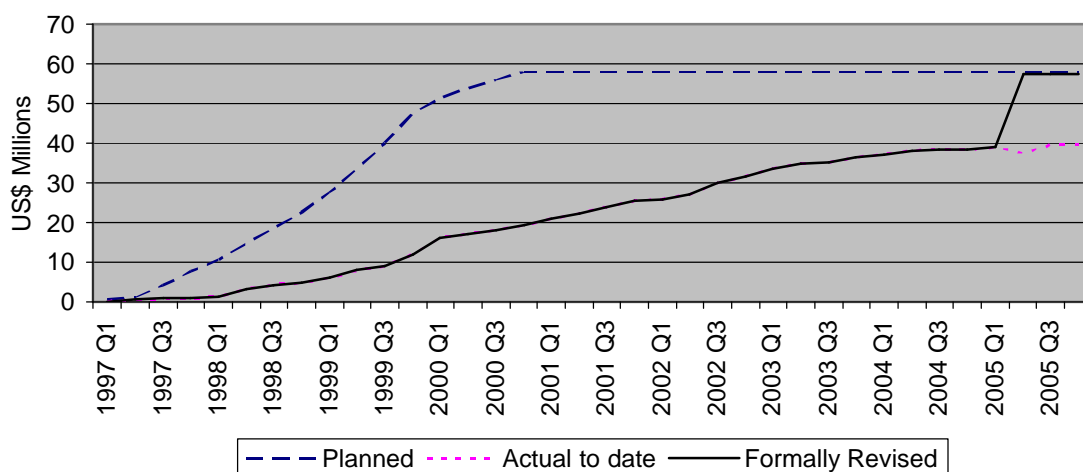
The objective is to improve the performance of the Russian legal system in areas key to the effective function of market institutions, specifically by improving: (i) the quality of drafting of economic laws, decrees and regulations; (ii) the classification and codification of legislation; (iii) teaching methods and materials in the legal education system; and (iv) the quality of judicial training for courts of general jurisdiction and arbitration courts.

### Progress toward achieving development objective(s):

Key implementation issues which had stalled the project during the previous year and a half were resolved during the year and the project closing was extended to end 2005 to allow for additional activities to be undertaken and further progress was made toward the objectives. Prior to the delays, a substantial portion of the project objectives had already been achieved. For example, an estimated 1,500 schools in 62 regions are now teaching the courses on the legal system in Russia that the Project helped to develop. According to a third party study, the introduction of law as a subject in about half the secondary schools of the city of Bryansk correlated with a substantial reduction in the prevalence of teenage crime. Also, the project supported improvements in access to legal information by the public by modernizing the legal codification system and establishing over 40 public legal information centers across Russia. Finally, the project helped to introduce innovative teaching methods and upgrade technology at participating law schools across the country.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-40350	Effective	58.00	39.71	17.79	0.50
JPN-29492	Closed	2.00	1.98	0.00	0.02



**Project Name (ID):** Municipal Water and Wastewater (P008832)

**Country:** Russian Fed.

**Board Approval Date:** 12/21/2000

**Midterm Review Date:** 04/18/2005

**Closing Date:** 06/30/2006

**Loan/Credit/Grant Number:** IBRD-45930, JPN-25555

**Sector(s):** Water supply (50%), Sewerage (50%)

**Theme(s):** Access to urban services and housing (P), Pollution management and environmental health (S)

### Project Development Objectives:

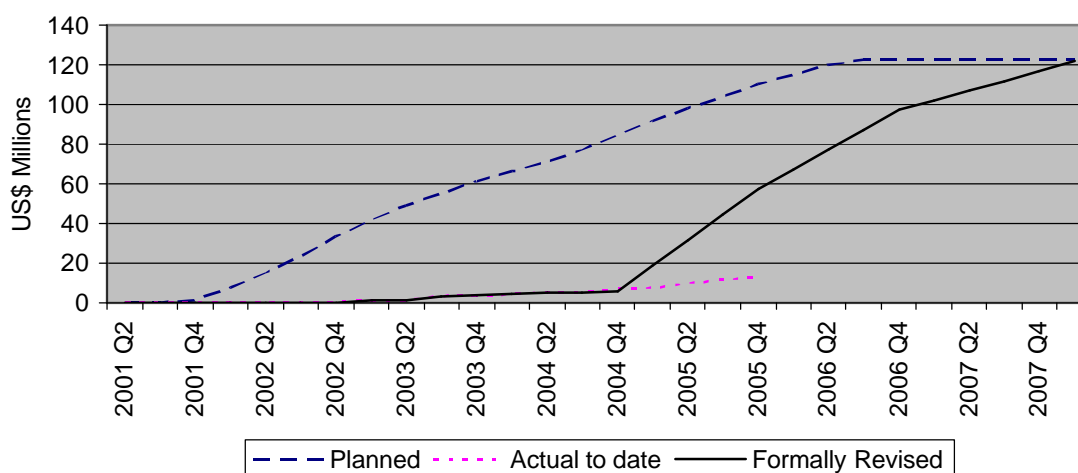
The objective is to arrest the decline of water and wastewater services of fourteen medium-size cities (less than 500,000 inhabitants) located in different regions of Russia that have demonstrated their commitment to the project objectives and the institutional reforms necessary to achieve them.

### Progress toward achieving development objective(s):

The project suffered substantial delays owing to the need to reappraise many aspects of the project in the wake of the financial crisis. The project has since provided technical assistance to 13 companies that has made a dramatic improvement in their financial status, pulling them out of bankruptcy. On-lending for physical works has just begun to small- and medium-sized cities. Works are underway in three cities; another \$15 million has been contracted. On-lending arrangements have been finalized in other cities for a total of \$67 million. Contracting and physical works will ensue in those cities. The groundwork is now laid for the undertaking of physical works on a large scale.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45930	Effective	122.50	13.12	109.38	0.00
JPN-25555	Closed	0.82	0.77	0.00	0.04



**Project Name (ID):** Capital Market Development (P042622)

**Country:** Russian Fed.

**Board Approval Date:** 05/30/1996

**Closing Date:** 12/31/2006

**Loan/Credit/Grant Number:** IBRD-40290

**Sector(s):** Central government administration (76%), Capital markets (17%), Law and justice (7%)

**Theme(s):** Regulation and competition policy (P), Legal institutions for a market economy (P), Infrastructure services for private sector development (P), Standards and financial reporting (P)

### Project Development Objectives:

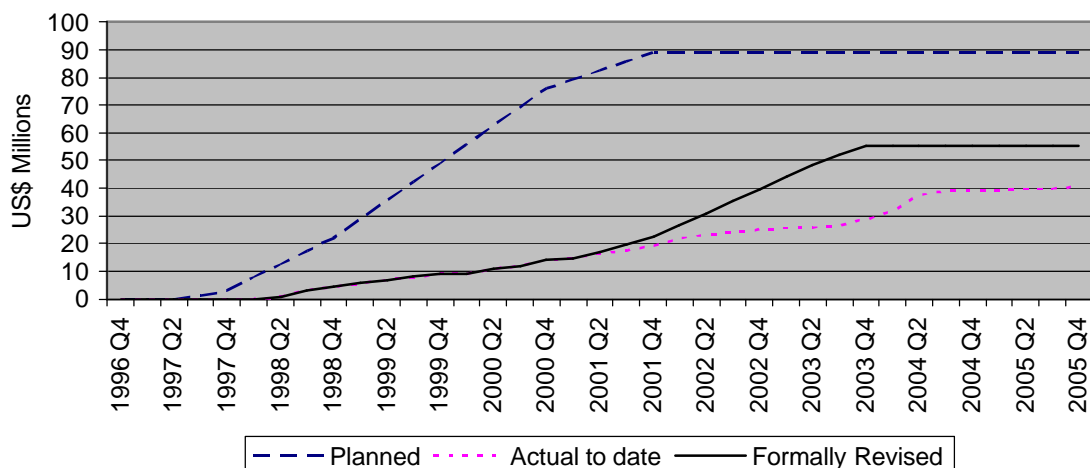
The objectives of the project are: (i) to build a comprehensive policy and legal framework; (ii) to build core institutional capacity in regulation and self regulation; (iii) to improve the efficiency, transparency and systemic stability of market architecture; and, (iv) to ensure the efficient issuance, service, and registration of Russian Federation debt securities.

### Progress toward achieving development objective(s):

Progress in achieving the project development objectives was somewhat slow during the reporting period as market activity has not grown as expected. The project has continued to play a critical role, however, in supporting the restructured Securities Commission and in assisting the Commission in the formulation and implementation of the government's strategy for development of the Russian securities market. Nevertheless, market activity has been slight as there have only been a handful of Initial Public Offerings (IPOs) in the domestic market and equity growth in the overall market continued to be primarily driven by share price appreciation. Secondary trading has taken place abroad due to the relatively higher cost of domestic trading as compared to European or US markets. High costs have also been exacerbated by poor protection of investors' rights. A number of legal, regulatory, and infrastructure issues remain unaddressed, which affects the government's ability to stimulate the domestic capital market. In addition, suggested activities that encourage further market development and strengthen institutional capacity have yet to be carried out.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-40290	Effective	89.00	40.75	14.17	34.09



**Project Name (ID):** Moscow Urban Transport (P046061)  
**Country:** Russian Fed.  
**Board Approval Date:** 02/06/2001  
**Midterm Review Date:** 09/01/2004  
**Closing Date:** 12/31/2005  
**Loan/Credit/Grant Number:** IBRD-45950  
**Sector(s):** Sub-national government administration (74%), Roads and highways (26%)  
**Theme(s):** Municipal governance and institution building (P), Other urban development (P)

**Project Development Objectives:**

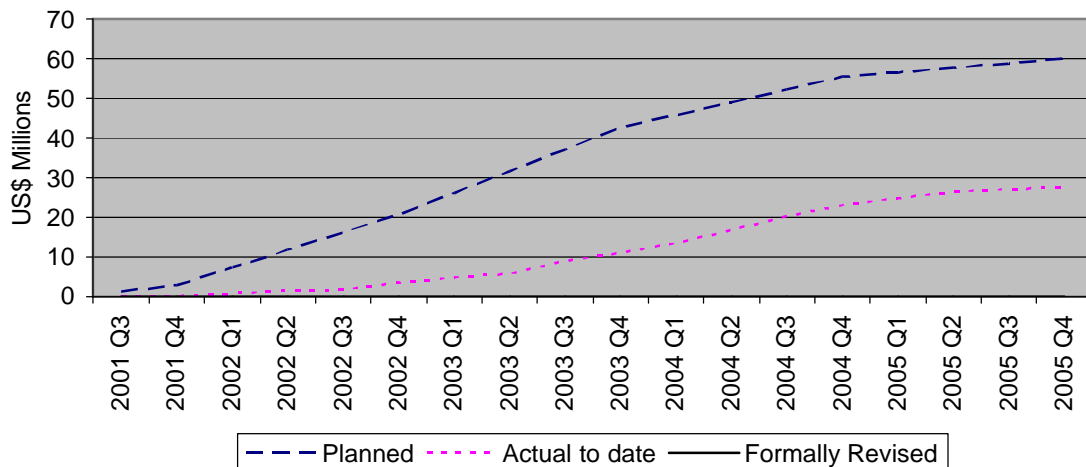
The objective is to improve the institutional capacity of the city of Moscow to plan, design, implement, operate and enforce traffic management measures so as to improve surface transport mobility in Moscow.

**Progress toward achieving development objective(s):**

The project is making progress toward achieving its development objective. The Traffic Management Center (TMC) has been established and adequately staffed, and there is a commitment to make it the leading traffic agency. A study aimed at strengthening the legal basis for improved traffic management has been completed. High priority physical works have been built. An extension to the closing date has been requested to accommodate the construction of the underpass at Preobrazhinskaya Ploschad and the completion of the 3rd Ring Traffic Control System.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45950	Effective	60.00	27.57	32.43	0.00



**Project Name (ID):** Health Reform Implementation (P046497)

**Country:** Russian Fed.

**Board Approval Date:** 03/18/2003

**Closing Date:** 06/30/2008

**Loan/Credit/Grant Number:** IBRD-46850

**Sector(s):** Health (70%), Health insurance(10%), Central government administration (10%), Sub-national government administration (10%)

**Theme(s):** Health system perfor(P), Administrative and civil service reform (P), Decentralization (S), Law reform (S)

**Project Development Objectives:**

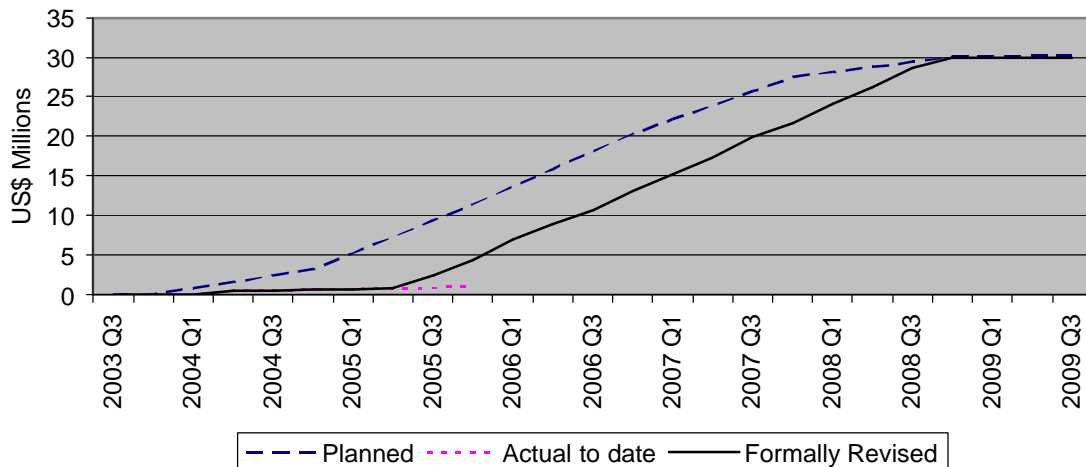
The objectives are to: (a) establish a system of Federal regulation required for effective governance and management of the health system; (b) develop and implement strategic approaches to health sector reform in selected regions; (c) strengthen the institutional capacity of the MOH as a Federal executive agency; (d) draw lessons from the implementation of regional programs and disseminate them to other regions; and (e) develop and implement an efficient scheme of restructuring of the health system, with emphasis on increased access, quality and efficiency of health services that will benefit from direct investment under the project.

**Progress toward achieving development objective(s):**

Difficulties arising from restructuring in the government bureaucracy in the spring of 2004 slowed progress in the project. However, implementation pace has picked up recently, and participating regions have taken active steps to restructure their health services (e.g. opening of GP offices, training of GPs, etc.). Work at the federal level is also intensifying as more support is being provided to regional activities.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46850	Effective	30.00	1.00	29.00	0.00



**Project Name (ID):** Education Reform (P050474)

**Country:** Russian Fed.

**Board Approval Date:** 05/24/2001

**Midterm Review Date:** 04/15/2005

**Closing Date:** 12/31/2006

**Loan/Credit/Grant Number:** IBRD-46050, JPN-25716

**Sector(s):** General education (35%), Vocational training (25%), Central government administration (20%), Sub-national government administration (10%), Primary education (10%)

**Theme(s):** Education for all (P), Administrative and civil service reform (P), Rural services and infrastructure (P), Improving labor markets (P)

### Project Development Objectives:

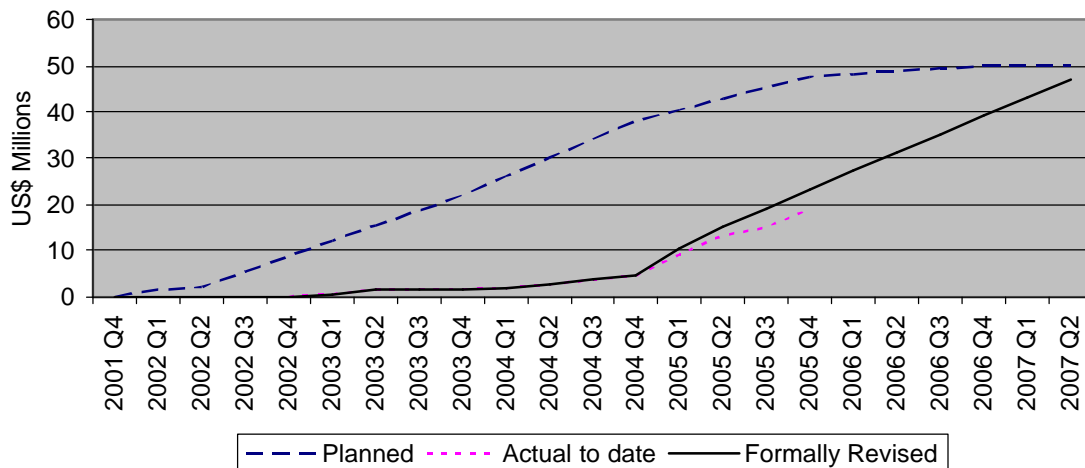
The objective is to provide assistance to the Ministry of Education and competitively selected regions in the Russian Federation to reform general and initial vocational education in order to (a) improve quality and standards; (b) promote efficient and equitable use of scarce public resources; (c) modernize the education system; and (d) improve the flexibility and market relevance of initial vocational education.

### Progress toward achieving development objective(s):

Substantial restructuring progress in the rural and urban school network in the Chuvash Republic and Samara Region has taken place as a result of the development of monitoring systems and efficient financing mechanisms. In addition, vocational education reform initiatives for the first level in Samara provide new models for other regions to emulate. The project's first educational outcomes include attitudinal changes among administrators, parents and students on the importance of educational quality. Encouraging results are also arising from the modernization program in two participating regions to develop management capacity in the education sector. At the Federal level, lessons from regional programs are being gathered for dissemination. Project implementation has started in the third region (Voronezh) and substantial efforts are being made to ensure implementation there is on track.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46050	Effective	50.00	18.96	28.04	3.00
JPN-25716	Closed	0.94	0.86	0.00	0.08



**Project Name (ID):** State Statistics System (P050487)

**Country:** Russian Fed.

**Board Approval Date:** 05/13/1999

**Midterm Review Date:** 05/27/2002

**Closing Date:** 12/31/2006

**Loan/Credit/Grant Number:** IBRD-44680, JPN-25359

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

**Theme(s):** Economic statistics, modeling, and forecasting (P), Infrastructure services for private sector development (P), Analysis of economic growth (S), Legal institutions for a market economy (S), Macroeconomic management (S)

### Project Development Objectives:

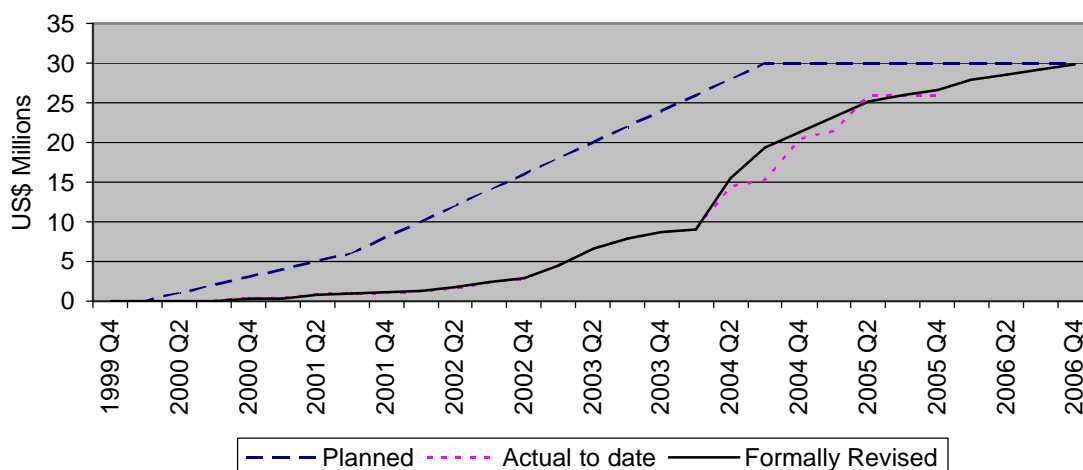
The objectives are to strengthen the statistical information base for improved economic management and availability of data needed for a functioning market economy by continuing institutional development and implementing a large scale training effort at the Federal Service for State Statistics in Russia (ROSSTAT) and other data collection agencies; and improving data coverage, collection and processing methods and systems.

### Progress toward achieving development objective(s):

Through the allocation of additional resources by the Government, the project has been extended through December 2006 to allow for further capacity building in line with the original objectives. Already, data collection and processing systems have seen improvements due to organizational changes at ROSSTAT, the completion of a broad local and international training program for statisticians, and the introduction of new technical systems including email system for the entire statistical network all over Russia. The project was also instrumental in launching open access to data generated by customs posts and customs declarations in Russia. The technical solution for this exercise was given the highest assessment by the Russian Computer Society. Improvements on the classification of economic activities and the compilation of balance of payments statistics are currently underway.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-44680	Effective	30.00	25.99	4.01	0.00
JPN-25359	Closed	0.44	0.39	0.00	0.05



**Project Name (ID):** Electricity Sector Reform (P050891)

**Country:** Russian Fed.

**Board Approval Date:** 06/05/1997

**Closing Date:** 12/31/2005

**Loan/Credit/Grant Number:** IBRD-41810

**Sector(s):** Power (80%), Central government administration (20%)

**Theme(s):** State enterprise/bank restructuring and privatization (P), Regulation and competition policy (P), Infrastructure services for private sector development (S), Access to urban services and housing (S), Rural services and infrastructure (S)

**Project Development Objectives:**

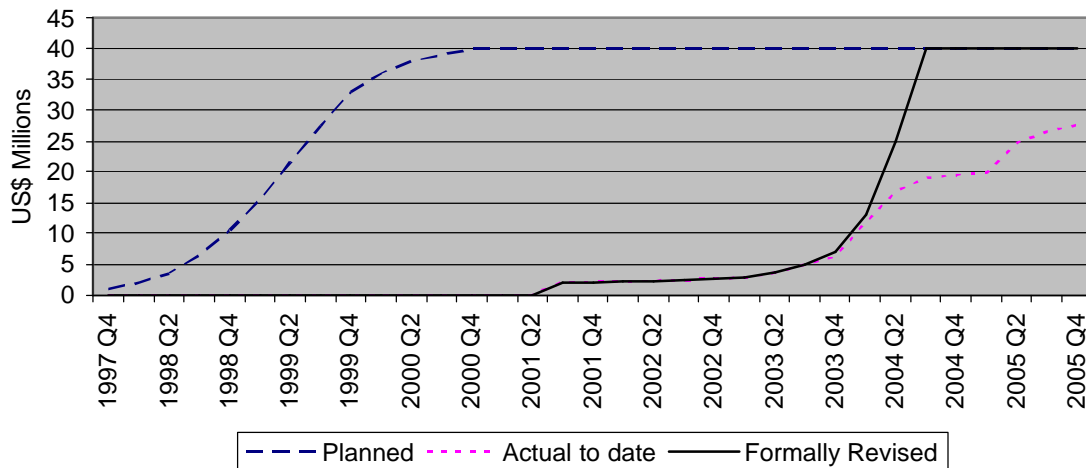
The objective of the project is to lay the groundwork for improving the short and long term efficiency of the Russian electricity sector to ensure a reliable supply of electricity at competitive prices.

**Progress toward achieving development objective(s):**

Substantial progress has been made toward the development objective due to significant reforms that have been undertaken in the Russian power sector. Industry restructuring is quite advanced, financial performance in the sector is solid, regulatory institutions are in place, and a pilot wholesale market is in operation. Nonetheless, it is uncertain whether political will exists to complete the privatization process for thermal generation companies. A lack of autonomy in tariff-setting by the regulatory agency and a lack of real market incentives continue to present obstacles in this area.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-41810	Effective	40.00	27.73	10.75	1.52



**Project Name (ID):** Sustainable Forestry Pilot (P053830)

**Country:** Russian Fed.

**Board Approval Date:** 05/23/2000

**Midterm Review Date:** 11/04/2004

**Closing Date:** 09/30/2007

**Loan/Credit/Grant Number:** IBRD-45520

**Sector(s):** Central government administration (90%), Forestry (8%), Agro-industry (2%)

**Theme(s):** Environmental policies and institutions (P), Infrastructure services for private sector development (P), Administrative and civil service reform (P), Other environment and natural resources management (P), Trade facilitation and market access (S)

### Project Development Objectives:

The development objective is to improve private sector management of Russia's forests and improve enabling environment for private sector investment.

### The Project was restructured during the 2005 Fiscal Year

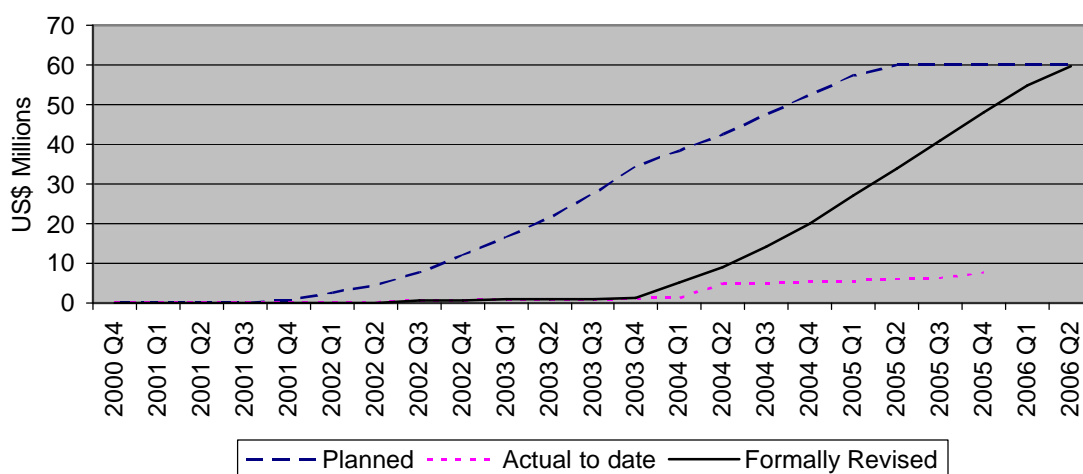
To unblock implementation of Part B; to provide for an increased Borrower cofinancing of Part A; to streamline procurement provisions; and to extend the Loan's Closing Date by two years.

### Progress toward achieving development objective(s):

Good progress has been made on administrative reforms. As illegal logging and improved governance have become priority issues, the government will allocate specific funds to support log-tracking and reporting on chain-of-custody. The government will also be hosting a regional Forest Law Enforcement and Governance (ENA-FLEG) initiative. In addition to the approximately 20 million ha that are covered by improved wildfire management, some 3.5 million ha of forests are now covered by Forest Stewardship Council (FSC) certification.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45520	Effective	60.00	7.52	52.48	0.00



**Project Name (ID):** Regional Fiscal Technical Assistance (P058587)

**Country:** Russian Fed.

**Board Approval Date:** 12/22/1999

**Midterm Review Date:** 02/14/2003

**Closing Date:** 12/31/2005

**Loan/Credit/Grant Number:** IBRD-45280, JPN-25361

**Sector(s):** Central government administration (50%), Sub-national government administration (42%), Law and justice (8%)

**Theme(s):** Tax policy and administration (P), Debt management and fiscal sustainability (P), Municipal finance (P), Law reform (P), Legal institutions for a market economy (P)

### Project Development Objectives:

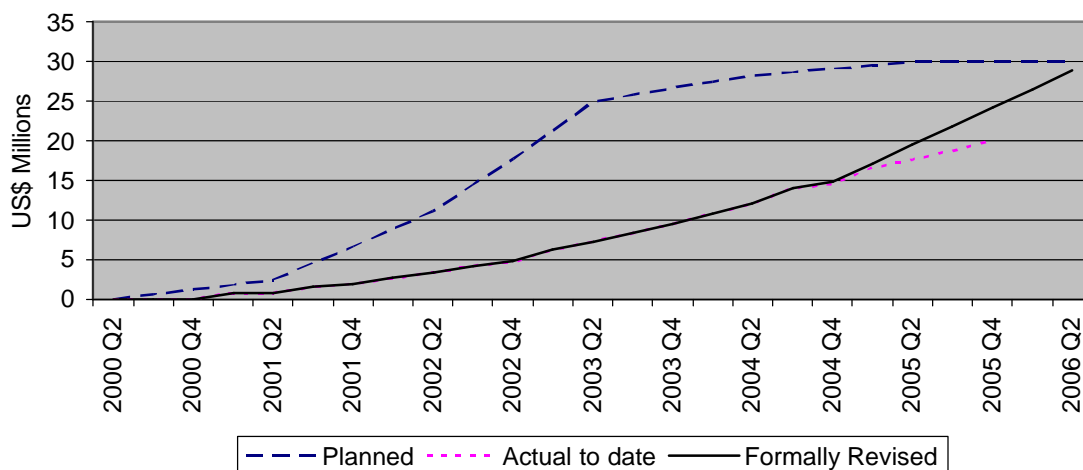
The objectives are to build institutional capacity to advance the reform of inter-governmental fiscal relations and improve fiscal performance at the regional and municipal level.

### Progress toward achieving development objective(s):

The project continued to be implemented smoothly and make excellent progress toward achieving its objectives. It has, in conjunction with the recently completed Fiscal Federalism and Regional Fiscal Reform Project, supported reform of regional fiscal management in a growing number of regions, some of whom are at the third stage of their programs. The fourth competition among regions has been prepared for 2006. Most recently, the project financed reviews of key regional expenditures to take stock of fiscal performance at the regional and municipal level; and has developed a monitoring system, federal and regional legislation, Codes of Best Practice for Regional and Municipal Fiscal Reform, and standards (already implemented in three regions) for sub-national treasury, cash and debt management, financial planning and public procurement. The recent allocation of additional resources from the Russian federal budget will allow for a 3 year extension of the project to further deepen capacity building at the federal and sub-national levels in line with the development objectives.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45280	Effective	30.00	20.03	9.97	0.00
JPN-25361	Closed	0.48	0.48	0.00	0.00



**Project Name (ID):** Municipal Heating (P038551)

**Country:** Russian Fed.

**Board Approval Date:** 03/27/2001

**Closing Date:** 06/30/2006

**Loan/Credit/Grant Number:** IBRD-46010, JPN-25554

**Sector(s):** District heating and energy efficiency services (97%), Central government administration (3%)

**Theme(s):** Other urban development (P), Municipal finance (P), Access to urban services and housing (P), Other financial and private sector development (S), Climate change (S)

### Project Development Objectives:

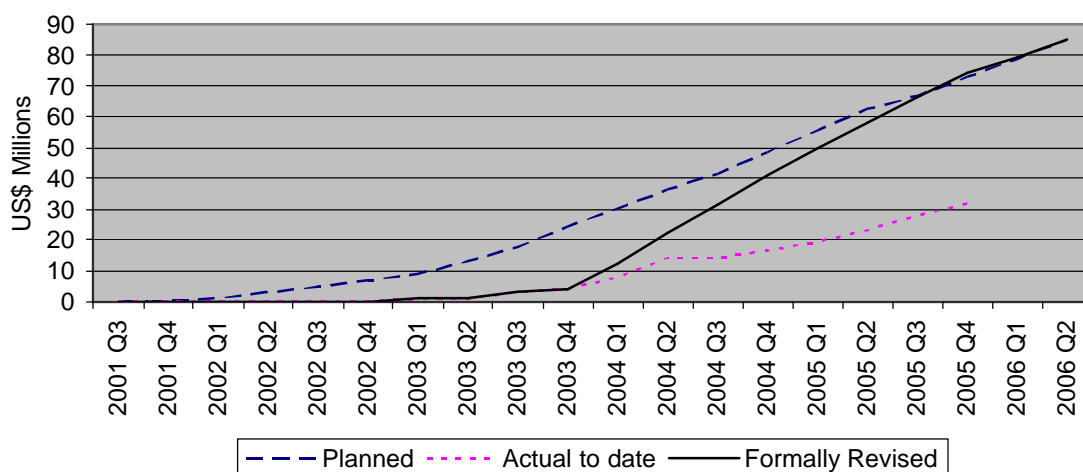
The overall objective of the Municipal Heating Project is to alleviate the financial burden on municipal governments associated with the supply of district heating to the local population.

### Progress toward achieving development objective(s):

The project is moving toward its development objective, although progress in some cities has been very slow. In cities where project investments have been made, the impact on system efficiency has been substantial. Energy savings of 30% to 60% and water savings of 60% to 80% in these cities have taken place.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46010	Effective	85.00	31.70	53.30	0.00
JPN-25554	Closed	0.68	0.67	0.00	0.01



**Project Name (ID):** Tuberculosis and AIDS Control (P064237)

**Country:** Russian Fed.

**Board Approval Date:** 04/03/2003

**Closing Date:** 12/31/2008

**Loan/Credit/Grant Number:** IBRD-46870

**Sector(s):** Health (100%)

**Theme(s):** Other communicable diseases (P), HIV/AIDS (P), Health system performance (S), Population and reproductive health (S), Law reform (S)

### Project Development Objectives:

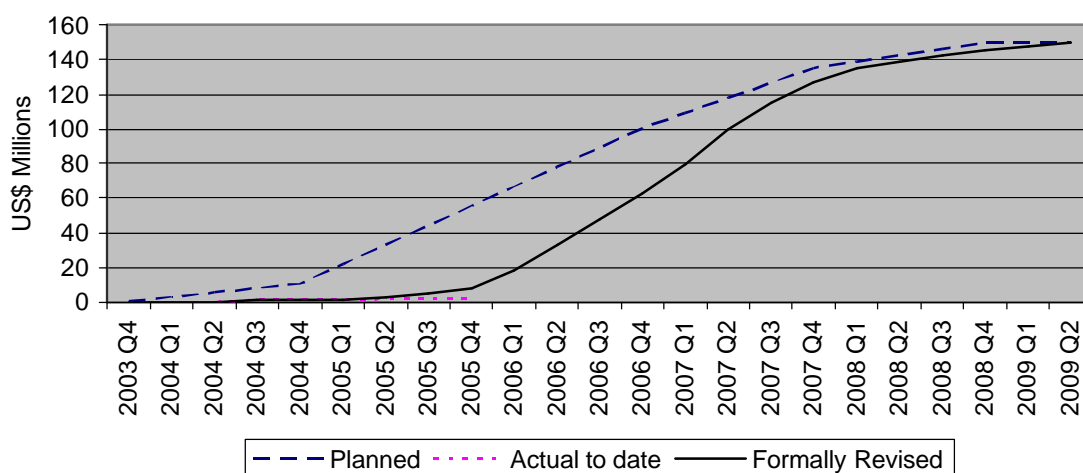
The objectives are to (a) contain the growth of the epidemics of tuberculosis and HIV/AIDS in the short term and (b) to halt and reverse the courses of these epidemics in the medium term.

### Progress toward achieving development objective(s):

Progress towards meeting development objectives has been slow due to delays caused by extensive Government restructuring in the spring of 2004. Despite these delays the project has been moving forward. The needs assessments on the status of TB and HIV/AIDS in Russia are now completed, and implementation plans based on these assessments is beginning. Procurement of urgently needed TB diagnostic equipment, x-ray machines and laboratory equipment for HIV/AIDS is near its final stage and equipment delivery is expected by end 2005. Provided implementation remains on track, the project is expected to make important contributions to the fight against these epidemics in Russia.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46870	Effective	150.00	2.04	147.96	0.00



**Project Name (ID):** Northern Restructuring (P064238)

**Country:** Russian Fed.

**Board Approval Date:** 06/07/2001

**Closing Date:** 12/31/2006

**Loan/Credit/Grant Number:** IBRD-46110

**Sector(s):** Other social services (88%), Central government administration (8%), Sub-national government administration (4%)

**Theme(s):** Municipal governance and institution building (P), Improving labor markets (P), Social analysis and monitoring (S), Other economic management (S)

### Project Development Objectives:

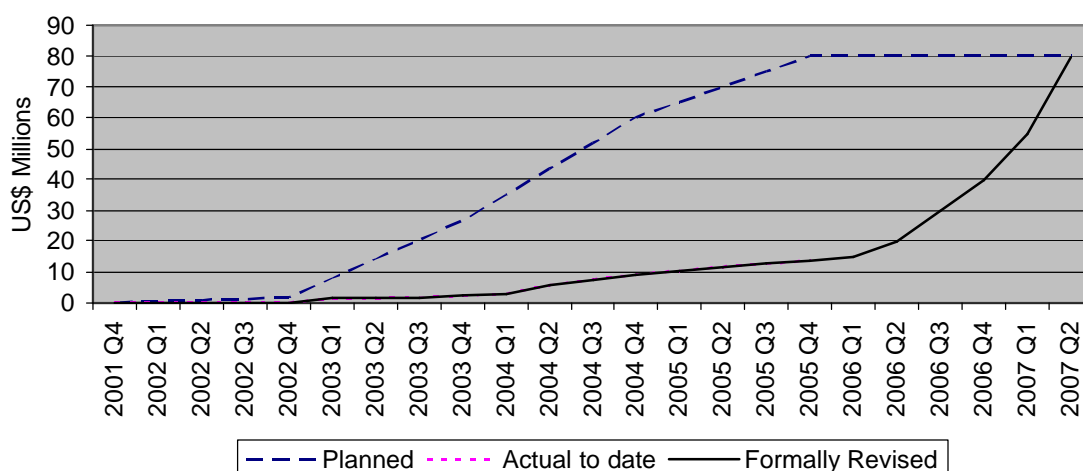
The objective is to test a set of actions to assist municipalities in the Russian Federation to cope with the effects of economic transition by providing out-migration assistance and developing strategies to draw on potential efficiency gains from a decreased population in these municipalities.

### Progress toward achieving development objective(s):

Significant progress has been made to achieve development objectives. Restructuring and migration assistance schemes became fully operational in 2004 and 2005. They included key elements that make them affordable and sustainable: (a) a new, broader category of eligible out-migration program participants with a higher level of mobility; (b) an equitable and transparent migration assistance scheme based on voluntary participation, supported through an extensive information campaign; and, (c) a set of downsizing and restructuring measures to generate fiscal savings. The project has successfully supported major institutional improvements in design and implementation of migration assistance under the existing Law (125). These include the introduction of a transparent housing certificate scheme, migrant choice location, prioritization to allocate public resettlement subsidies to vulnerable population groups which have the lowest level of labor productivity.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46110	Effective	80.00	13.58	66.42	0.00



**Project Name (ID):** Treasury Development (P064508)

**Country:** Russian Fed.

**Board Approval Date:** 06/06/2002

**Closing Date:** 12/31/2007

**Loan/Credit/Grant Number:** IBRD-46620, JPN-25812

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

**Theme(s):** Public expenditure, financial management, and procurement (P), Other rule of law (S)

### Project Development Objectives:

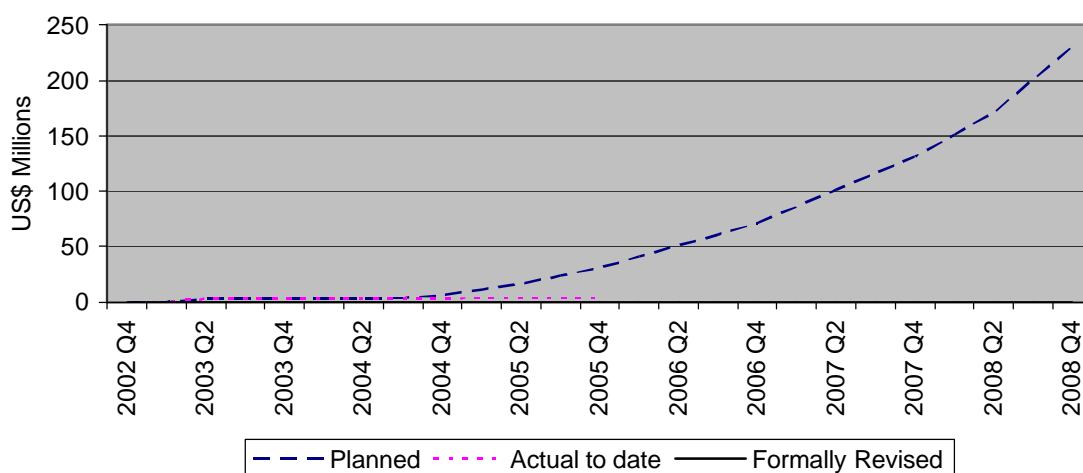
The objectives are to ensure conditions for effective implementation of the budget and enable the Ministry of Finance to maintain budget oversight; and to provide a transparent system of accounting that shows the utilization of the financial resources of the Government and enables management and audit of these resources.

### Progress toward achieving development objective(s):

The project continues to achieve excellent progress toward the objectives. With very few exceptions, all spending units, revenue transactions and receipts are now operating or captured within the Treasury system, which is more rapid progress than envisaged in project targets. The majority of regions have achieved key reforms in terms of expenditure transactions and a new budget classification systems was introduced this year as planned. Work continues on the development of a new chart of accounts.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46620	Effective	231.00	3.55	227.45	0.00
JPN-25812	Closed	0.50	0.50	0.00	0.00



**Project Name (ID):** Second Tax Administration Modernization (P066155)

**Country:** Russian Fed.

**Board Approval Date:** 10/24/2002

**Closing Date:** 06/30/2008

**Loan/Credit/Grant Number:** IBRD-46800, JPN-26119

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

**Theme(s):** Tax policy and administration (P), Administrative and civil service reform (P), Law reform (S), Legal institutions for a market economy (S), Other accountability/anti-corruption (S)

### Project Development Objectives:

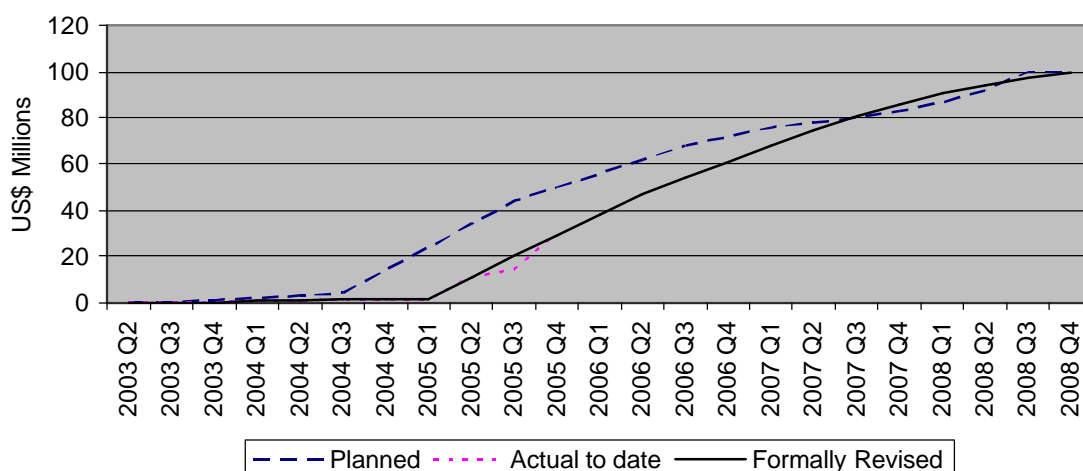
The objective is to carry out a systematic reform and modernization of the tax administration of the Russian Federation (RF), so as to: (a) facilitate voluntary compliance, (b) increase administrative efficiency, (c) strengthen enforcement capacity, (d) enhance professional integrity and skills, and (e) improve tax legislation and fairness in the implementation of tax laws.

### Progress toward achieving development objective(s):

Good progress was achieved toward the development objectives including implementation of functional structure in local tax offices, developing infrastructure for data processing centers, upgrading the physical infrastructure of regional and local tax offices, development of a database of court decisions on tax issues, and development and implementation of human resources information system. However, project implementation slowed somewhat owing to the government restructuring and reorganization of the Federal Tax Service in 2004. In particular this has affected some of the activities aimed at improving transparency, external accountability and taxpayer services. Additional effort will be needed to ensure that the objectives of improving promoting voluntary compliance and enhancing professional integrity and skills will be fully achieved.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46800	Effective	100.00	30.33	69.29	0.38
JPN-26119	Closed	1.04	1.04	0.00	0.01



**Project Name (ID):** St. Petersburg Economic Development (P069063)

**Country:** Russian Fed.

**Board Approval Date:** 05/15/2003

**Closing Date:** 08/31/2009

**Loan/Credit/Grant Number:** IBRD-46940

**Sector(s):** General industry and trade (30%), Other social services (30%), Housing finance and real estate markets (20%), Sub-national government administration (20%)

**Theme(s):** Municipal governance and institution building (P), Municipal finance (P), Legal institutions for a market economy (P), Small and medium enterprise support (P), Land administration and management (S)

### Project Development Objectives:

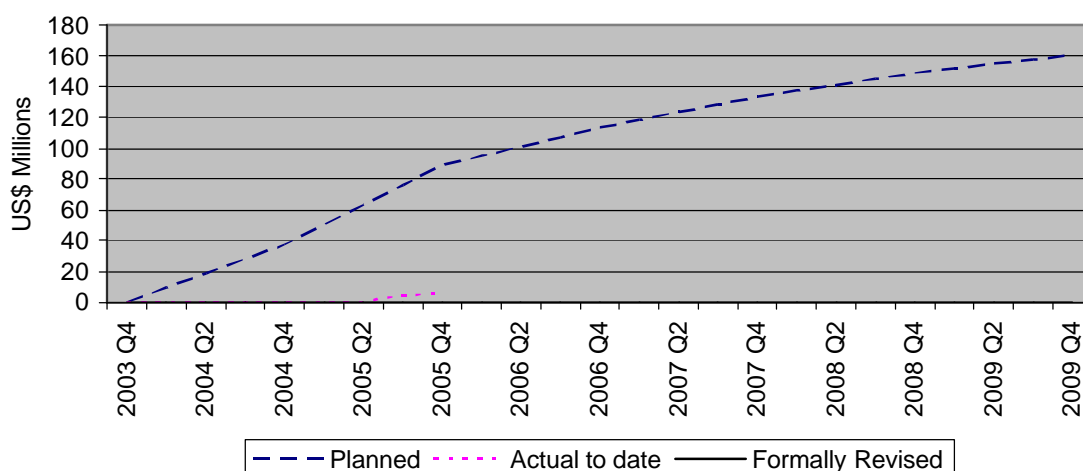
The objective is to contribute to: (a) improving the business climate in St. Petersburg by facilitating the creation of new private sector enterprises, increasing private ownership and transactions of land and real estate, and improving land use; (b) strengthening the city's financial management and ensuring the long-term stability of its fiscal revenue base; and (c) enabling St. Petersburg to preserve its unique position as one of Russia's top centers of culture and the arts.

### Progress toward achieving development objective(s):

The project became effective in the latter part of the reporting period and was still in too early a stage for meaningful progress.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46940	Effective	161.10	5.43	155.67	0.00



**Project Name (ID):** Customs Development (P072960)

**Country:** Russian Fed.

**Board Approval Date:** 04/22/2003

**Closing Date:** 06/30/2009

**Loan/Credit/Grant Number:** IBRD-46890

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

**Theme(s):** Tax policy and administration (P), Trade facilitation and market access (P), Administrative and civil service reform (P), Legal institutions for a market economy (S), Standards and financial reporting (S)

### Project Development Objectives:

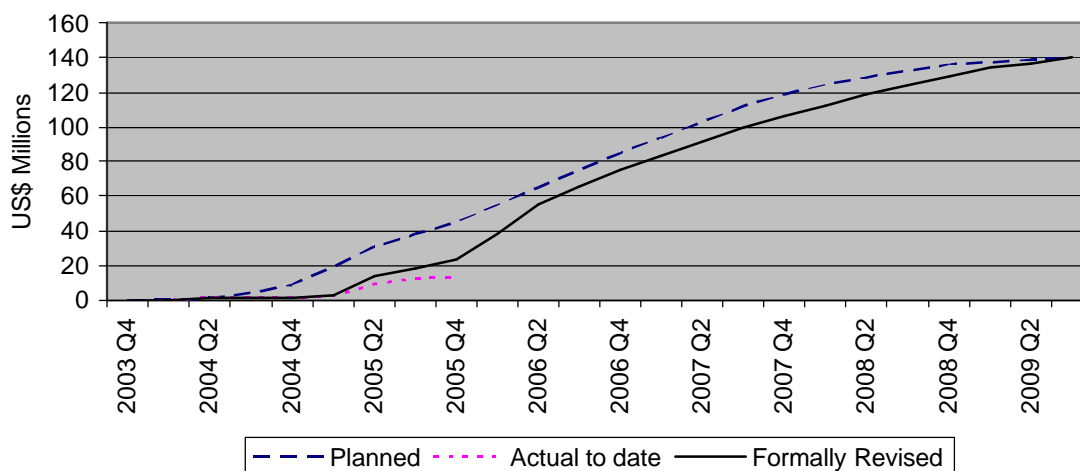
The objectives are to reform and modernize customs administration in the Russian Federation by: (i) promoting internationally-acceptable practices for processing of international trade flows by Customs; and (ii) increasing taxpayer compliance with the Customs Code and ensure uniformity in its application.

### Progress toward achieving development objective(s):

The project continues to achieved substantial progress in developing customs administration in Russia. The processing times for declarations has been significantly reduced, and an innovative approach to e-filing is being piloted. A new concept for customs service has been developed and is being implemented including modern information, filing, clearance and audit processes, meanwhile performance management systems are being introduced. The Federal Customs Service has already been lauded as the best Russian agency in terms of openness and transparency by the business community.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46890	Effective	140.00	13.01	126.99	0.00



**Project Name (ID):** E-Learning Support (P075387)

**Country:** Russian Fed.

**Board Approval Date:** 03/02/2004

**Closing Date:** 06/30/2008

**Loan/Credit/Grant Number:** IBRD-47260

**Sector(s):** Central government administration (30%), Vocational training (30%), Secondary education (20%), Primary education (20%)

**Theme(s):** Education for the knowledge economy (P)

### Project Development Objectives:

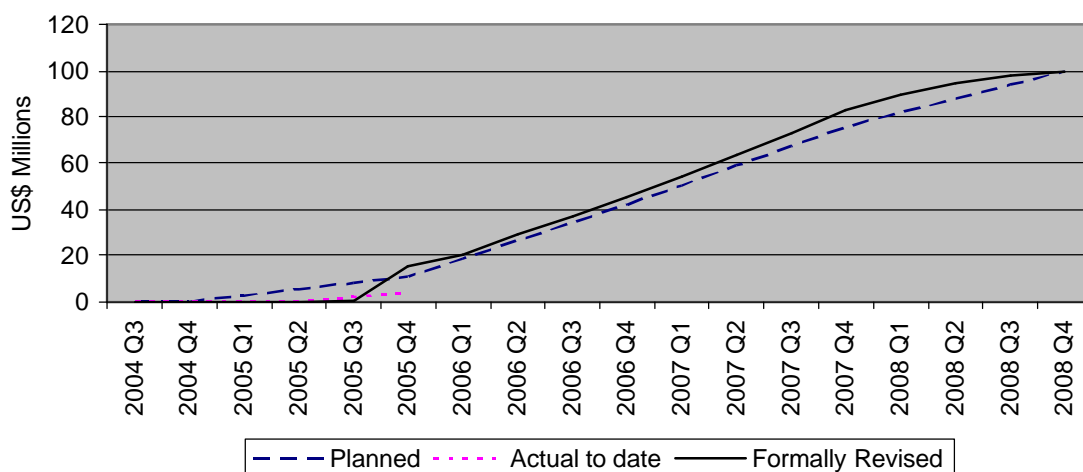
The objective is to assist in the implementation of Russia's education modernization program aimed to re-orient the educational system to the global information society.

### Progress toward achieving development objective(s):

The project became effective in the latter part of the reporting period and was still in too early a stage for meaningful progress.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47260	Effective	100.00	4.17	95.83	0.00



**Project Name (ID):** Kazan Municipal Development (P082018)

**Country:** Russian Fed.

**Board Approval Date:** 02/24/2005

**Closing Date:** 12/31/2006

**Loan/Credit/Grant Number:** IBRD-47660

**Sector(s):** Sub-national government administration (50%), Other social services (20%), Housing construction (10%), District heating and energy efficiency services (10%), General water, sanitation and flood protection (10%)

**Theme(s):** Municipal finance (P), Social safety nets (P), Other urban development (S), Public expenditure, financial management, and procurement (S), Regulation and competition policy (S)

**Project Development Objectives:**

The objective is to: (a) improve the overall fiscal situation in the City; (b) improve the municipal budget and asset management; (c) provide more efficient delivery of housing, utility, and social services to the population.

**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)**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-47660	Not Effective	125.00	0.00	125.00	0.00

**Project Name (ID):** Hydromet Modernization (P082239)

**Country:** Russian Fed.

**Board Approval Date:** 03/17/2005

**Closing Date:** 09/30/2010

**Loan/Credit/Grant Number:** IBRD-47690

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

**Theme(s):** Natural disaster management (P), Water resources management (S), Administrative and civil service reform (S)

### Project Development Objectives:

The main development objective of the project is to increase the accuracy of forecasts provided to the Russian people and economy by modernizing key elements of RosHydromet's technical

base and strengthening its institutional arrangements. This would enable enterprise and household adjustments to protect lives and support economic growth.

### 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-47690	Not Effective	80.00	0.00	80.00	0.00

