

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: LATIN AMERICA AND THE CARIBBEAN
COUNTRY: PERU

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Latin America and the Caribbean
Country: Peru

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: Peru

Project Name (ID): Irrigation Subsector (P008037)

Country: Peru

Board Approval Date: 07/25/1996

Midterm Review Date: 04/23/1998

Closing Date: 12/31/2008

Loan/Credit/Grant Number: IBRD-40760, IBRD-73080, JPN-22473

Sector(s): Irrigation and drainage (90%), Agricultural extension and research (8%), Central government administration (2%)

Theme(s): Rural services and infrastructure (P), Rural policies and institutions (P), Participation and civic engagement (S)

Project Development Objectives:

The objectives are to: (a) develop the capacity for decentralized management of irrigation systems by Water User Organizations; (b) reduce the role of the public sector in irrigation; and (c) ensure cost recovery of capital investment and operation and maintenance of irrigation systems. A supplemental loan was approved in June 2005 to support the key components of the original project, and contribute to increasing the production and productivity of irrigated agriculture on Peru's coast to improve farmers' well-being and to contribute to poverty alleviation.

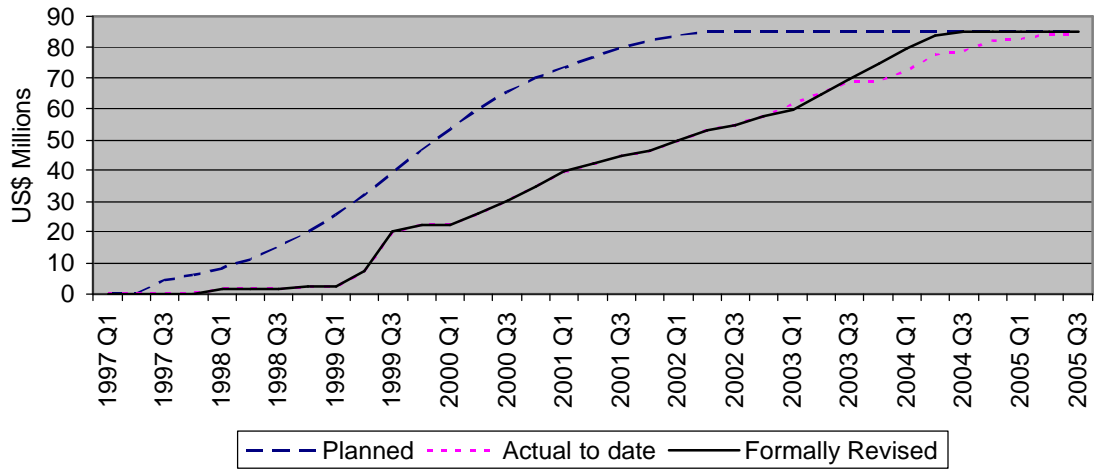
Progress toward achieving development objective(s):

The original project has made good progress toward achievement of the objectives. Out of 64 Water User Organizations (WUOs), 50 percent are technically and financially fully autonomous, 25 percent are in the process of developing full-fledged capacity and financial viability, and the remaining 25 percent still need strong institutional support and training. About 135,000 farm families benefited from the project. About 443,000 ha, some with irrigation systems affected by El Niño, were rehabilitated and reconstructed. Approximately 50,000 farmers benefited from an extension program that was introduced as part of the irrigation modernization activity. Water conveyance efficiency increased on average from about 55 to 68 percent. Cost recovery for operations and maintenance increased from about US\$7.8 million per year in 1998 to US\$20.0 million in 2004. On average, surveyed farmers increased their household incomes by 30 percent. In 1998, the Borrower and the Bank agreed to reallocate US\$30.0 million in loan funds from the original project for rehabilitation of irrigation infrastructure destroyed or damaged by El Niño. Thus, there was insufficient financing for completion of the original project and a supplemental loan was approved to support: 46 small subprojects to improve public irrigation systems, on-farm irrigation improvement subprojects, institutional strengthening of 64 WUOs, and provision of about 190,000 individual water rights.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-40760	Effective	85.00	84.50	0.00	0.49
IBRD-73080	Not Effective	10.26	0.00	10.26	0.00
JPN-22473	Closed	0.47	0.58	0.00	0.00

Status of Projects in Execution - FY05



Project Name (ID): Pelima Transport (P035740)

Country: Peru

Board Approval Date: 12/09/2003

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IBRD-72090, JPN-25503, JPN-29535

Sector(s): General transportation (81%), Sub-national government administration (15%), Other social services (4%)

Theme(s): Access to urban services and housing (P), Municipal governance and institution building (P), Pollution management and environmental health (S), Improving labor markets (S), Non-communicable diseases and injury (S)

Project Development Objectives:

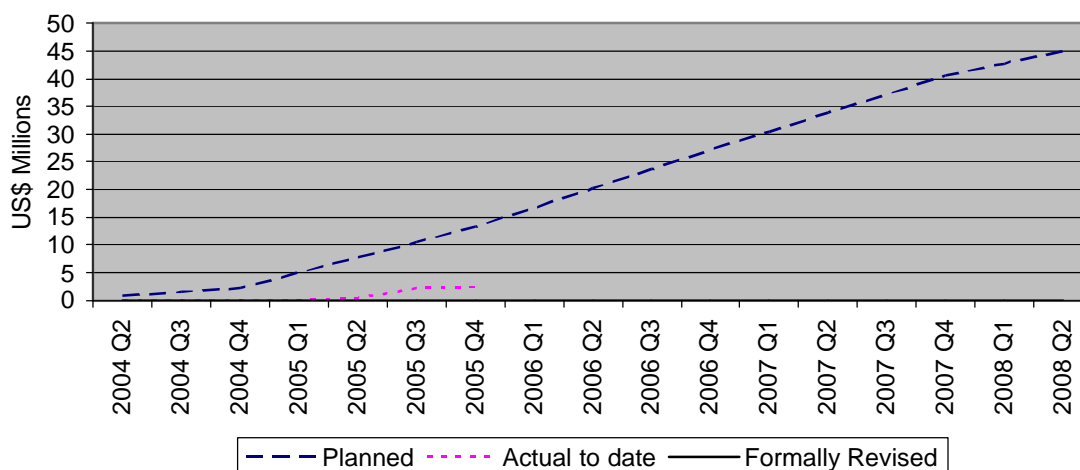
The objective is to improve mobility and accessibility for the metropolitan population, especially in the peri-urban poor neighborhoods.

Progress toward achieving development objective(s):

The project is progressing towards its objective by implementing a new mass rapid transit system on the basis of Public Private Partnership (PPP). The implementation has two important tenets: (a) the development of PPP through concessioning the bus and other ancillary operations; and (b) the development of the infrastructure (financed by the Bank and the Inter-American Development Bank). The concessioning progressed during fiscal year 2005 with the completion of the Bank-funded Economic Financial and Institutional Study and bidding processes are expected to start soon. The infrastructure has had a slower implementation pace, due to limited institutional capacity in the implementing agency. More recently, the pace of implementation has increased and the bidding processes for several infrastructure works are expected to start in the first quarter of fiscal year 2006.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72090	Effective	45.00	2.35	42.65	0.00
JPN-25503	Closed	1.33	1.20	0.00	0.13
JPN-29535	Closed	1.30	1.30	0.00	0.00



Project Name (ID): Second Rural Roads (P044601)

Country: Peru

Board Approval Date: 06/19/2001

Midterm Review Date: 04/19/2004

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IBRD-46140

Sector(s): Roads and highways (90%), Ports, waterways, and shipping (4%), Sub-national government administration (3%), Micro and SME finance (2%), Central government administration (1%)

Theme(s): Rural services and infrastructure (P), Access to urban services and housing (P), Municipal governance and institution building (P), Participation and civic engagement (P), Rural non-farm income generation (P)

Project Development Objectives:

The objective is to improve the access of rural poor to basic social services, market integrating infrastructure and income-generating activities with gender equity.

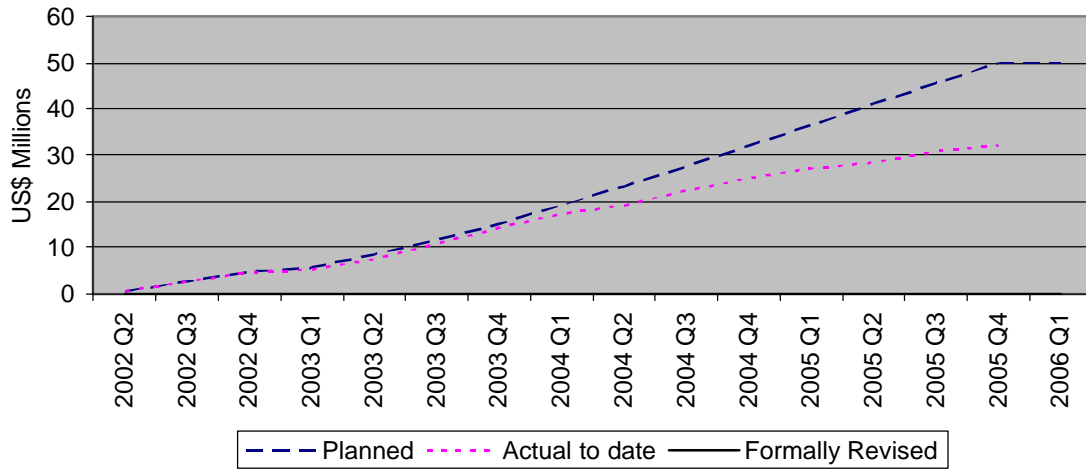
Progress toward achieving development objective(s):

The project has continued to make good progress toward achievement of its objective. As of June 2005, 2,614 km of rural roads were rehabilitated to an adequate level of trafficability and 13,179 km were routinely maintained by about 600 micro-enterprises formed and trained under the project (representing about 6,000 employment opportunities for poor men and women). In addition, 2,418 km of community tracks for non-motorized transport were upgraded, allowing the extreme poor in remote areas to have improved transportation conditions. In 2005, an evaluation showed an improvement in transport conditions (68 percent reduction in travel time) and its impact on access to schools (8 percent increase in enrollment) and health centers (55 percent increase in visits), agricultural productivity (16 percent increase in land devoted to agriculture) and rural income (20 percent increase in men's agricultural salaries). Significant progress was also achieved in institutional strengthening in the context of decentralization: as of June 2005, 38 provincial roads institutes were created and were fully operational and 72 others were in the process of being created (target of 12 institutes). On June 1, 2005, Provias Rural (the implementing agency) was recognized by the Peruvian civil society initiative "Ciudadanos al Día" for its achievements in terms of "good government practices."

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46140	Effective	50.00	32.82	17.18	0.00

Status of Projects in Execution - FY05



Project Name (ID): Rural Education (P055232)

Country: Peru

Board Approval Date: 05/29/2003

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IBRD-71760, JPN-25902, JPN-26867

Sector(s): Central government administration (20%), Pre-primary education (20%), Tertiary education (20%), Secondary education (20%), Primary education (20%)

Theme(s): Education for all (P), Rural services and infrastructure (S), Indigenous peoples (S)

Project Development Objectives:

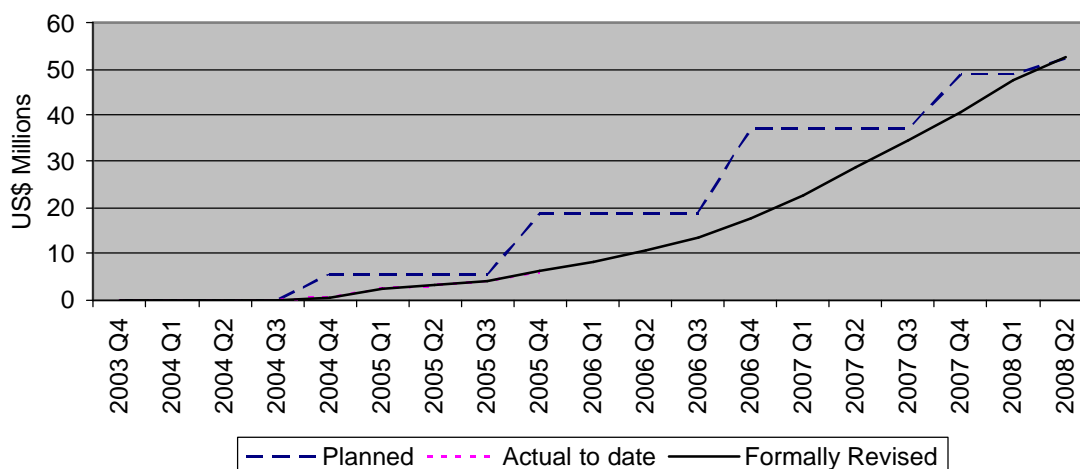
The objective is to improve the quality and equity of basic education.

Progress toward achieving development objective(s):

In its first year of implementation, there was limited progress due to weak internal coordination of the independent subcomponents. A detailed implementation strategy was developed, which addresses the requirements for integrated implementation and reflects the current decentralization process. Still, there are a few issues of concern, particularly, the lack of a tested pedagogical model for primary multigrade classrooms and the lack of a culture of evaluation throughout the Ministry, except for a small group of specialists. In addition, there is concern about the institutional arrangements between the Ministry of Education and FONCODES (National Fund for Compensation and Development), the infrastructure manager for the project. In this case, a number of legal hurdles imposed by the new Budget Law, have required that the Ministry of Education and FONCODES find new and appropriate mechanisms to ensure timely transfer of funds. An amendment is in process to resolve this issue.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71760	Effective	52.50	6.00	46.50	0.00
JPN-25902	Closed	0.22	0.21	0.00	0.01
JPN-26867	Closed	0.41	0.38	0.00	0.03



Project Name (ID): Health Reform Program (Phase 1: Mother and Child Insurance and Decentralization of Health Services) (P062932)

Country: Peru

Board Approval Date: 12/16/1999

Midterm Review Date: 09/25/2003

Closing Date: 12/15/2005

Loan/Credit/Grant Number: IBRD-45270, JPN-25368

Sector(s): Health (97%), Central government administration (3%)

Theme(s): Child health (P), Other communicable diseases (P), Participation and civic engagement (P), Population and reproductive health (S), Decentralization (S)

Project Development Objectives:

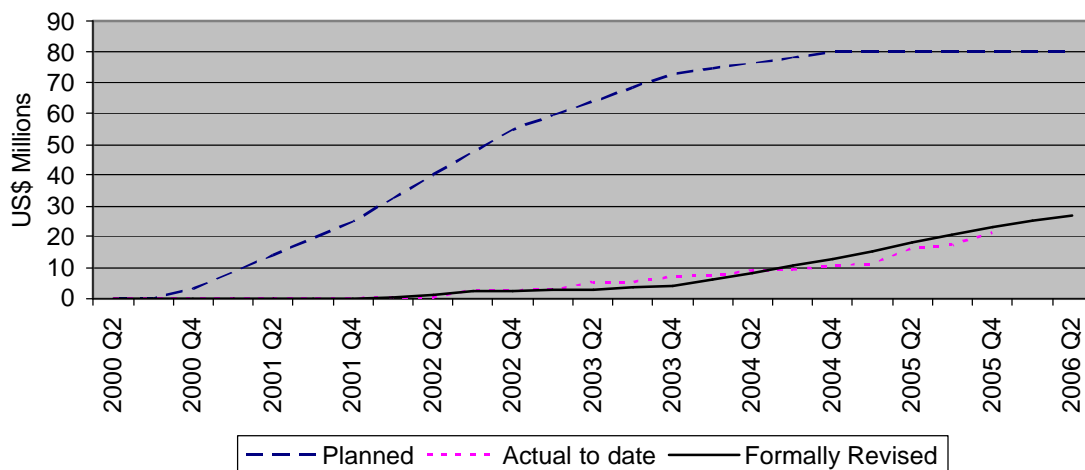
The objective is to support the implementation and evaluation of key health sector policies, including the public health insurance scheme and the management agreements with sub-national authorities, and the improvement of local and regional infant and maternal health services with emphasis on local participation and cultural responsiveness.

Progress toward achieving development objective(s):

A recent review of progress based on the 2004 Demographic and Health Survey and the project monitoring system shows that indicators have a positive trend towards the end-of-project targets. For example, the percentage of deliveries attended by a doctor or a trained midwife in rural areas (used as a proxy for project areas) has risen from 27.6 to 38.6 percent (end-of-project target of 45.2 percent). The quality of deliveries in the health facilities appears to be improving, as evidenced by the increase in the percentage of attended deliveries that received Oxytocin in the project areas from 49.4 to 80.2 percent. It is expected that the target for both this indicator and the number of health facilities refurbished will be met given the large purchases of equipment that are in process and the training of health personnel in obstetric emergencies.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45270	Effective	27.00	21.38	5.62	0.00
JPN-25368	Closed	0.78	0.78	0.00	0.00



Project Name (ID): Indigenous Management of Protected Areas (P065200)

Country: Peru

Board Approval Date: 02/27/2001

Midterm Review Date: 11/29/2004

Closing Date: 12/31/2006

Loan/Credit/Grant Number: WBTF-21853, WBTF-24939

Sector(s): Central government administration (64%), Other social services (27%), General agriculture, fishing, and forestry (9%)

Theme(s): Biodiversity (P), Participation and civic engagement (P), Indigenous peoples (P), Other environment and natural resources management (S)

Project Development Objectives:

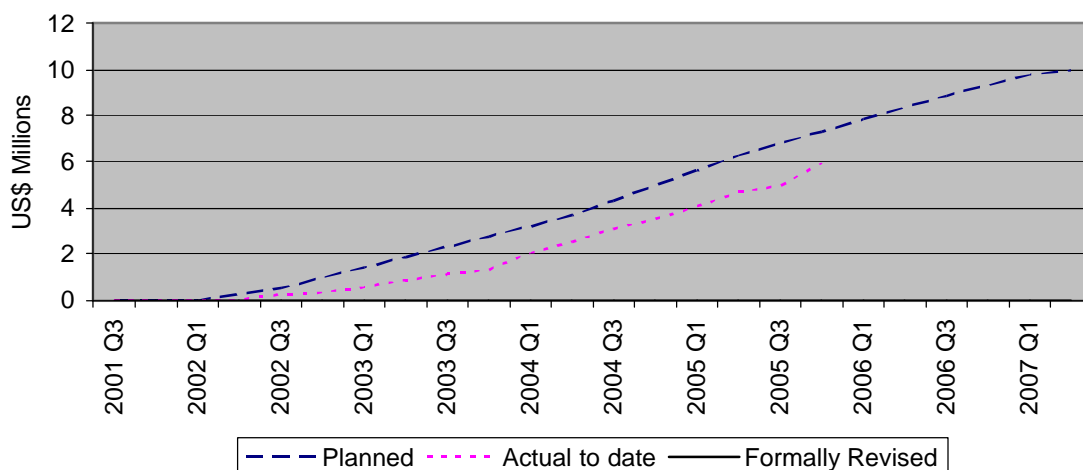
The objective is to increase the sustainability of biodiversity conservation in the Peruvian Amazon with the involvement of Indigenous Communities in the management of new and existing Protected Areas.

Progress toward achieving development objective(s):

The project will be on track to achieve its development objective once some institutional problems and a lack of counterpart funding have been addressed. The Project Executing Unit has incorporated new social, environment and administrative specialists, and a decentralized team to work directly with local communities. To show results on the ground, a One Hundred Days Program is under implementation focusing on the execution of 40 community-based projects in which contributions were reduced from 50 to 10-20 percent to facilitate community participation and training programs were re-designed to respond to indigenous peoples' priorities. Categorization and draft management plans have been completed for the five Natural Protected Areas, and Management Committees to ensure indigenous communities' participation have been established. Yet, an agreement with indigenous organizations about these arrangements is still pending.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
WBTF-21853	Closed	0.35	0.30	0.00	0.05
WBTF-24939	Effective	10.00	5.94	4.06	0.00



Project Name (ID): National Rural Water Supply and Sanitation (P065256)

Country: Peru

Board Approval Date: 08/29/2002

Closing Date: 12/31/2008

Loan/Credit/Grant Number: IBRD-71420, JPN-25899, JPN-54228

Sector(s): Sanitation (45%), Water supply (45%), Sub-national government administration (6%), Central government administration (4%)

Theme(s): Rural policies and institutions (P), Rural services and infrastructure (P), Water resources management (P), Participation and civic engagement (P), Other financial and private sector development (S)

Project Development Objectives:

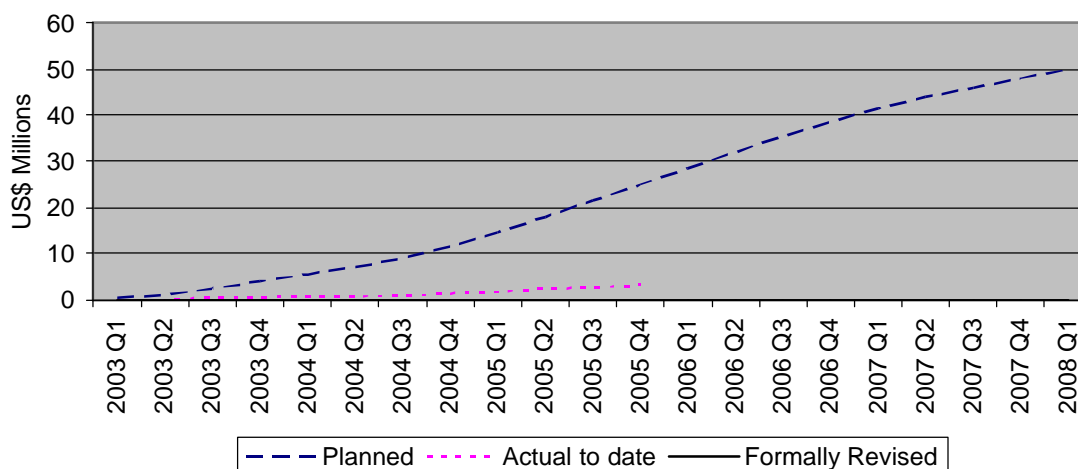
The objective is to increase coverage and sustainable use of water and sanitation services in rural areas and small towns while adopting improved hygiene practices and training.

Progress toward achieving development objective(s):

There has been progress toward achieving the objective during fiscal year 2005. The initial participatory promotion phase for installing new or rehabilitated systems in rural areas is completed in the rural areas of eight Departments (Ayacucho, Junin, Piura, Arequipa, Huancavelica, Huanuco, Lima and Pasco) and engineering design studies and the second phase of social promotion are ready in three Departments (Ayacucho, Junin and Piura). The execution of the small towns component continues making good progress: works have started for the first group of 8 municipalities and a second group of 12 municipalities have designs ready or near completion. Activities in support of institutional strengthening are underway.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71420	Effective	50.00	3.13	46.87	0.00
JPN-25899	Closed	0.60	0.53	0.00	0.07
JPN-54228	Effective	0.85	0.09	0.76	0.00



Project Name (ID): Participatory Management of Protected Areas (P068250)

Country: Peru

Board Approval Date: 03/13/2003

Closing Date: 10/14/2009

Loan/Credit/Grant Number: MULT-24108, WBTF-51285

Sector(s): Other social services (45%), Forestry (40%), Central government administration (10%), Sub-national government administration (5%)

Theme(s): Participation and civic engagement (P), Biodiversity (P), Environmental policies and institutions (P), Rural non-farm income generation (S), Gender (S)

Project Development Objectives:

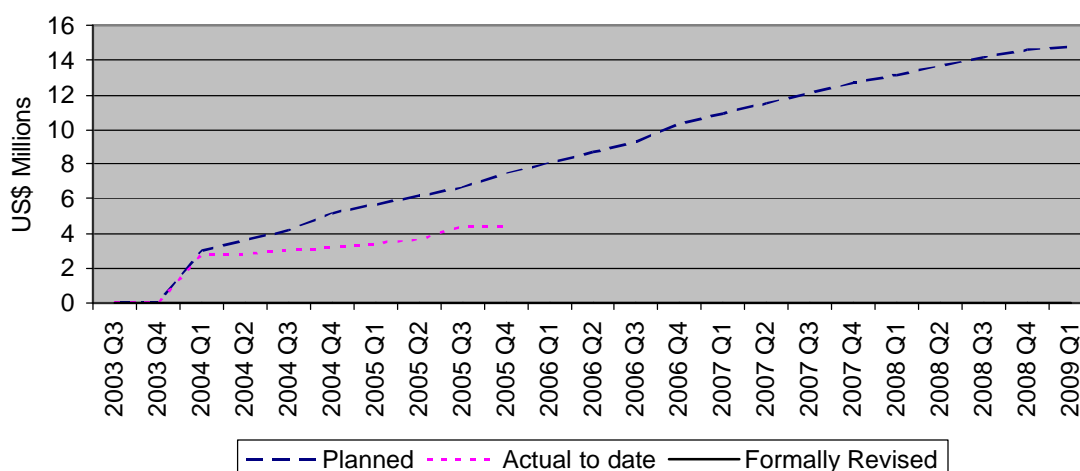
The objectives are to: (a) ensure biodiversity conservation with increasing the involvement of civil society institutions and the private sector in the planning and sustainable management of five protected areas (PAs) of the Peruvian System of Natural Protected Areas (SINANPE); (c) create one PA; and (iii) obtain financial sustainability for the financing of recurrent costs in SINANPE.

Progress toward achieving development objective(s):

The project has been making progress in establishing a foundation for key activities, particularly the legal and operational structure for Co-Management Agreements. The formulation of Co-Management Agreements is being developed and it is expected that the first one (in Huascarán National Park) will be in place by December 2005. The project is contributing to participatory management of protected areas. A co-financing arrangement has been worked with KfW (German Financing Bank) to secure funding for common activities. In addition, the project has helped to carry out the first international symposium on co-management agreements to help disseminate world practices in this area and enrich the knowledge and expertise for setting these mechanisms in Peru.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-24108	Closed	0.35	0.25	0.00	0.10
WBTF-51285	Effective	14.80	4.41	10.39	0.00



Project Name (ID): Justice Services Improvement (P073438)

Country: Peru

Board Approval Date: 03/04/2004

Closing Date: 06/30/2008

Loan/Credit/Grant Number: IBRD-72190, JPN-26738

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

Theme(s): Judicial and other dispute resolution mechanisms (P), Access to law and justice (P), Administrative and civil service reform (P), Participation and civic engagement (S), Decentralization (S)

Project Development Objectives:

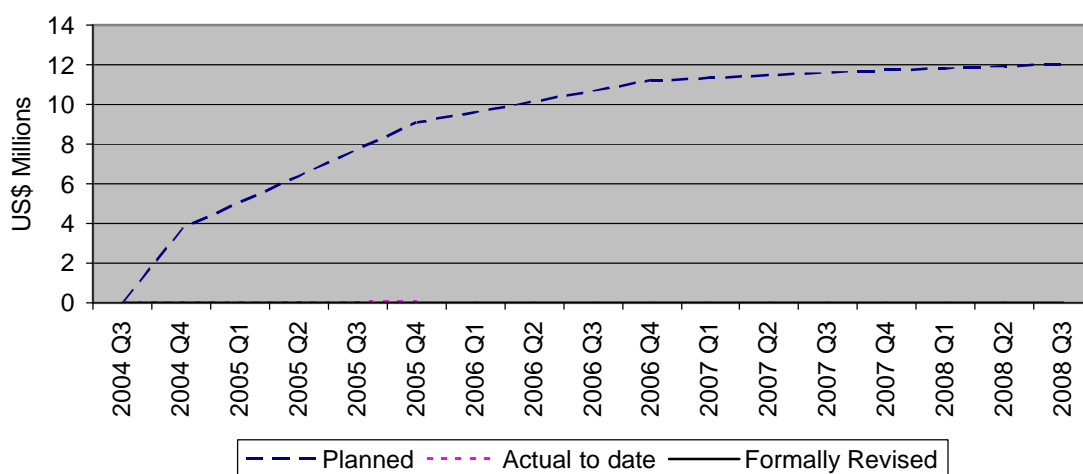
The objective is to establish the foundation for a long term, participatory and sustainable reform process in the justice sector.

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-72190	Effective	12.00	0.06	11.94	0.00
JPN-26738	Closed	0.50	0.48	0.00	0.02



Project Name (ID): Trade Facilitation and Productivity Improvement Technical Assistance (P077788)

Country: Peru

Board Approval Date: 06/05/2003

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IBRD-71770

Sector(s): Central government administration (35%), General transportation (25%), Other domestic and international trade (15%), General industry and trade (15%), Sub-national government administration (10%)

Theme(s): Export development and competitiveness (P), Trade facilitation and market access (S), Small and medium enterprise support (S)

Project Development Objectives:

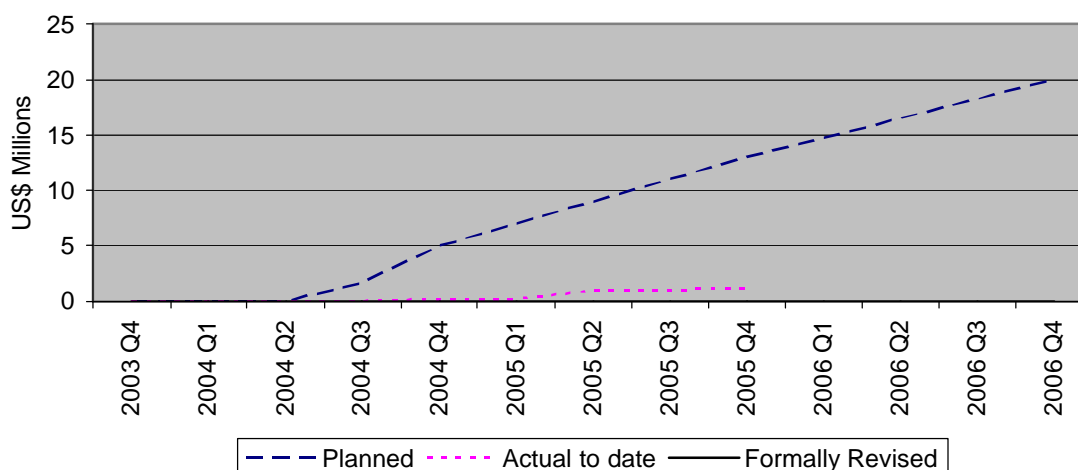
The objectives are to: (a) establish a more streamlined, integrated and effective institutional and policy framework to increase nontraditional exports; and (b) develop and implement initiatives designed to foster the entrance of new export market participants, especially small and medium producers.

Progress toward achieving development objective(s):

After a delay in beginning implementation, the project has started to advance. The project involves 17 Government organizations related to the promotion of the export sector and the inclusion of small and medium producers. Most of these implementing agencies have presented their operational schedule and have begun their activities. Key activities recently carried out related to the objectives include: regional and sector-oriented export plans including supply chain management, technical training sessions for both Government employees and workers of small and medium companies, and investment promotion activities within the Peruvian export policy.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71770	Effective	20.00	1.09	18.91	0.00



Project Name (ID): Accountability For Decentralization in The Social Sectors (P078953)

Country: Peru

Board Approval Date: 07/15/2004

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IBRD-72540, IBRD-P3980

Sector(s): Central government administration (85%), Other social services (15%)

Theme(s): Decentralization (P), Public expenditure, financial management, and procurement (P), Social analysis and monitoring (P), Participation and civic engagement (S)

Project Development Objectives:

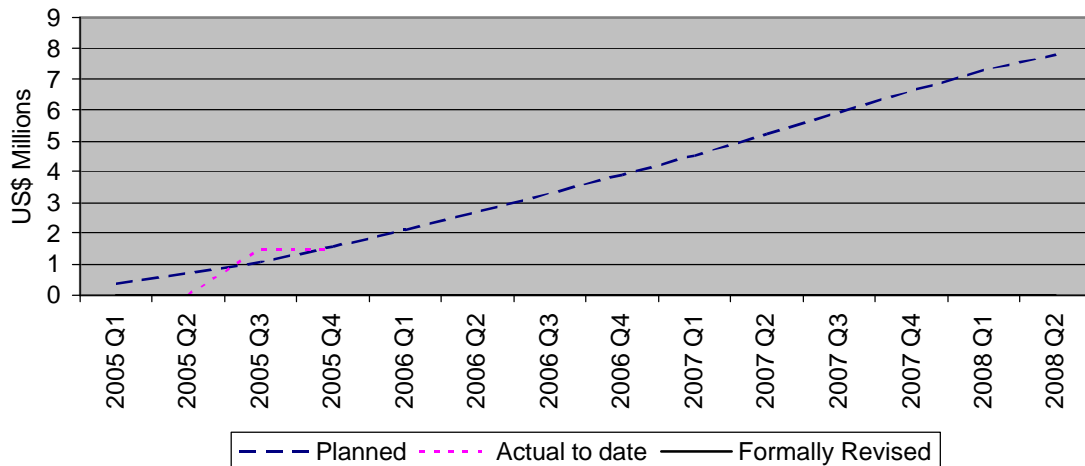
The objective is to strengthen results-oriented and participatory planning, monitoring and evaluation in the social sectors, with an emphasis on decentralized social programs of the Ministry of Women and Social Development.

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-72540	Effective	7.80	1.57	6.23	0.00
IBRD-P3980	Closed	1.50	0.00	0.00	1.50



Project Name (ID): Additional Financing - Lima Water Rehabilitation and Management (P081834)

Country: Peru

Board Approval Date: 02/25/2003

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IBRD-71600

Sector(s): Water supply (66%), Sanitation (34%)

Theme(s): Access to urban services and housing (P)

Project Development Objectives:

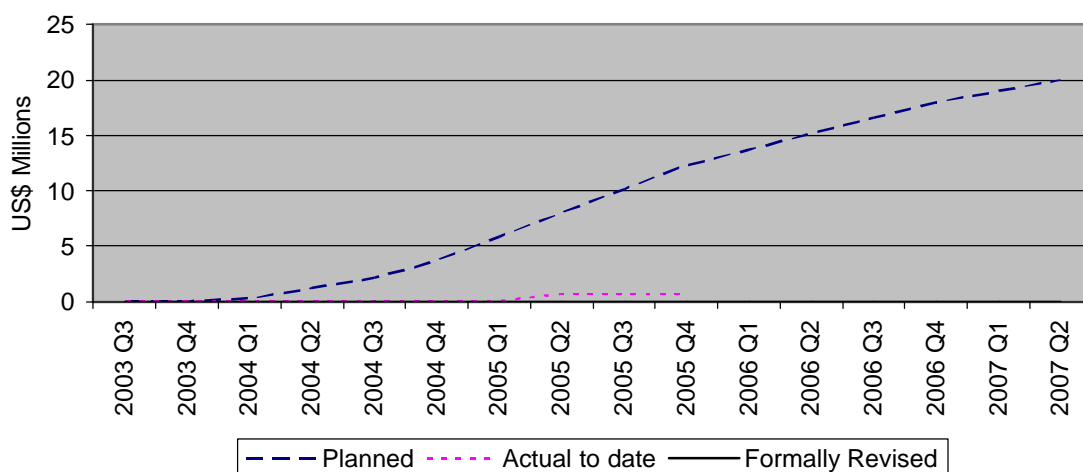
The objective is to extend first time water and sanitation services to 130,000 people in the peri-urban neighborhoods of Lima.

Progress toward achieving development objective(s):

There has been progress in extending water and sanitation services with the following activities: (a) contracts were signed for the preliminary social and engineering design work in two of three of the geographical areas served by the project; (b) water and sewerage connections construction work, with condominium technology (a technology that allows more than one house to be supplied from the same small diameter connection pipe), will start in early 2006; and (c) a few pilot projects were carried out with very positive results in terms of cost efficiency, rate of utilization and degree of ownership by final users.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71600	Effective	20.00	0.70	19.30	0.00



Project Name (ID): Agricultural Research and Extension APL 2 (P082588)

Country: Peru

Board Approval Date: 03/31/2005

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IBRD-72850, JPN-52813

Sector(s): Agricultural extension and research (80%), Central government administration (13%), Agro-industry (7%)

Theme(s): Rural services and infrastructure (P), Participation and civic engagement (P), Indigenous peoples (P), Rural policies and institutions (S), Other environment and natural resources management (S)

Project Development Objectives:

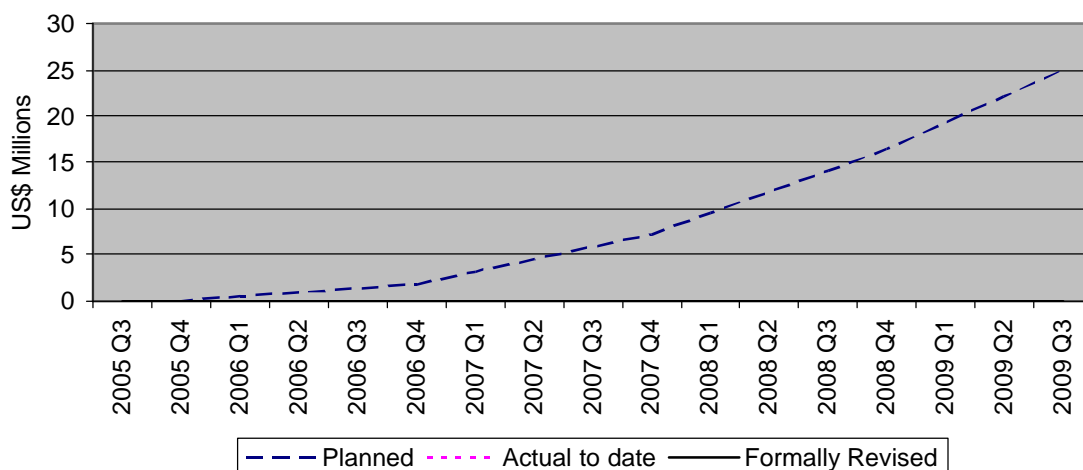
The objective is to contribute to expansion, strengthening, and institutional development of the rural agricultural technology and innovation system so it is pluralistic, decentralized, demand driven, and led by the private sector.

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-72850	Not Effective	25.00	0.00	25.00	0.00
JPN-52813	Closed	0.44	0.44	0.00	0.00



Project Name (ID): Vilcanota Valley Rehabilitation and Management (P082625)

Country: Peru

Board Approval Date: 09/14/2004

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IBRD-72570

Sector(s): Other social services (45%), Solid waste management (25%), Sub-national government administration (20%), Flood protection (10%)

Theme(s): Access to urban services and housing (P), Municipal governance and institution building (P), Land administration and management (P), Rural non-farm income generation (P), Rural services and infrastructure (S)

Project Development Objectives:

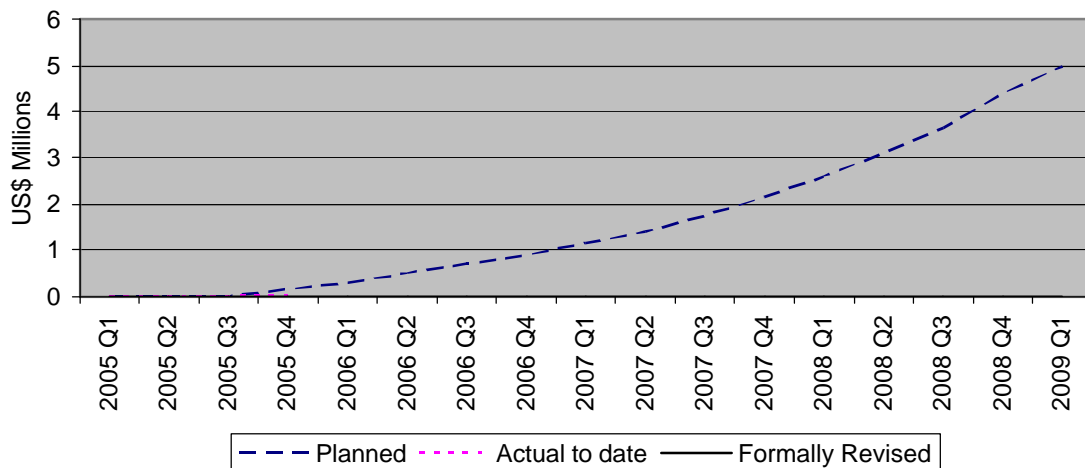
The objective is to alleviate poverty with the sustainable preservation and development of the human, social, natural, cultural and historical assets of the Vilcanota Valley.

Progress toward achieving development objective(s):

The project had just become 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-72570	Effective	4.98	0.02	4.96	0.00



Project Name (ID): Institutional Capacity for Sustainable Fiscal Decentralization Technical Assistance (P088809)

Country: Peru

Board Approval Date: 07/15/2004

Closing Date: 06/30/2008

Loan/Credit/Grant Number: IBRD-72550

Sector(s): Sub-national government administration (80%), Central government administration (20%)

Theme(s): Decentralization (P), Other economic management (P), Public expenditure, financial management, and procurement (S)

Project Development Objectives:

The objective is to strengthen public sector capacity for implementing a sustainable fiscal decentralization and improve institutional effectiveness for adequate service delivery by sub-national governments.

Progress toward achieving development objective(s):

It is too early to assess overall impact since project implementation just started in March 2005. Some progress has been achieved in two activities. As of June 2005, the Ministry of Economy and Finance (MEF) finalized the methodological guidelines to be used by sub-national governments for financial transactions reporting and the manual for public finances for sub-national governments. These two manuals will be used in the preparation of the quarterly reports. In addition, as planned, the MEF has expanded the coverage of its financial management system (SIAF) to over 1,026 Municipalities. Finally, the coverage of the SIAF module for payroll has been expanded to 596 executing units of the public sector.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-72550	Effective	8.80	0.16	8.64	0.00

