

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

Operations Policy and Country Services  
SEPTEMBER 23, 2005



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

**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: Uruguay**

**Project Name (ID):** Power Transmission and Distribution (P008177)

**Country:** Uruguay

**Board Approval Date:** 10/31/1995

**Midterm Review Date:** 06/15/2001

**Closing Date:** 03/31/2006

**Loan/Credit/Grant Number:** IBRD-39490

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

**Theme(s):** Infrastructure services for private sector development (P), Other urban development (P), Regulation and competition policy (P), Administrative and civil service reform (P), Climate change (S)

**Project Development Objectives:**

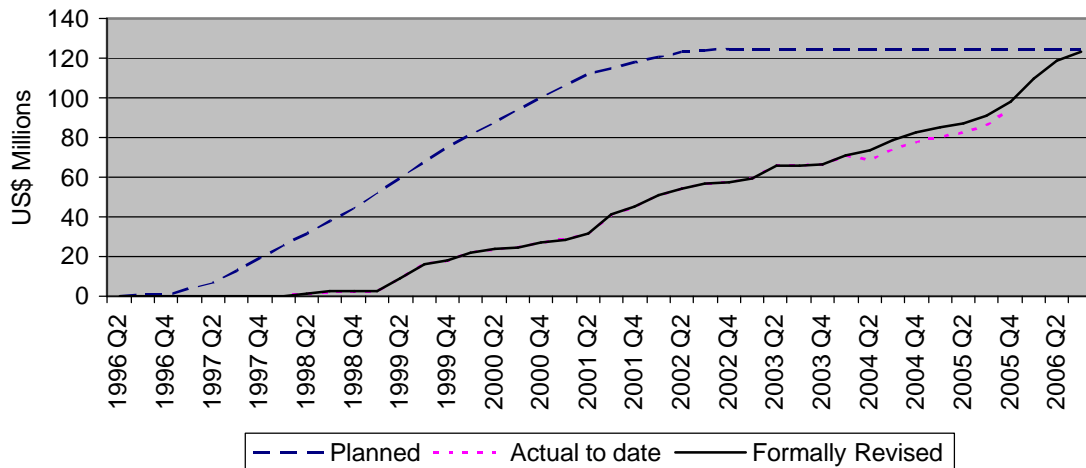
The objective is to improve the reliability of electricity service at least cost and sustaining the recent reforms in the power sector.

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

The reliability of electricity supply has continued to improve in 2004/05, as service interruptions have decreased. Though still high, distribution losses have decreased compared to 2003/04. New authorities intend to continue with sector reforms by strengthening power sector regulation and market administration, promoting renewable energies and energy efficiency, and improving energy security through diversification of supply options.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-39490	Effective	125.00	94.29	30.71	0.00



**Project Name (ID):** Transport Infrastructure Maintenance and Rural Access (P057481)

**Country:** Uruguay

**Board Approval Date:** 06/09/2005

**Closing Date:** 07/31/2011

**Loan/Credit/Grant Number:** IBRD-73030

**Sector(s):** Roads and highways (92%), Central government administration (3%), Ports, waterways, and shipping (3%), Sub-national government administration (2%)

**Theme(s):** Trade facilitation and market access (P), Rural services and infrastructure (S), Infrastructure services for private sector development (S), Regional integration (S), Non-communicable diseases and injury (S)

### Project Development Objectives:

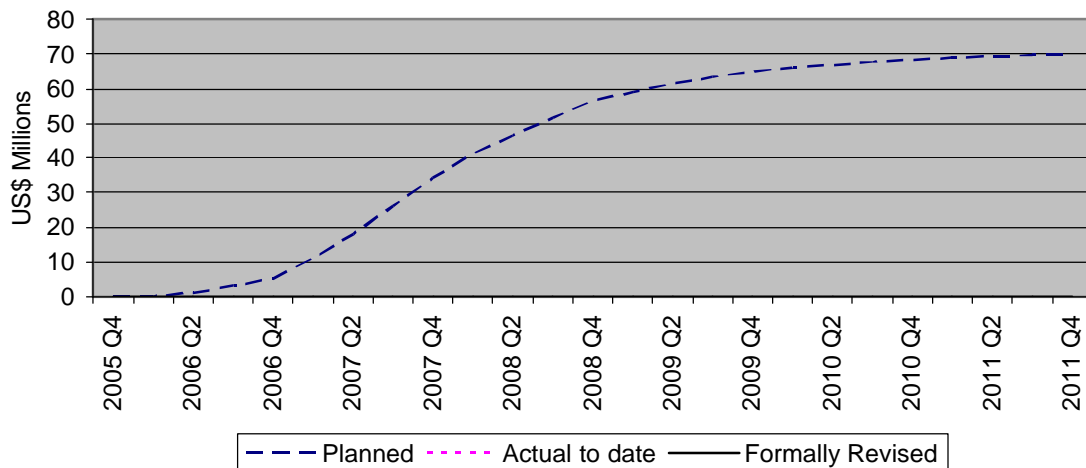
The objective is to upgrade the country's transport infrastructure to a condition that facilitates the transportation of freight and passengers at a cost-efficient level of service.

### 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-73030	Not Effective	70.00	0.00	70.00	0.00



**Project Name (ID):** Forest Products Transport (P039203)

**Country:** Uruguay

**Board Approval Date:** 06/25/1997

**Midterm Review Date:** 08/19/2002

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

**Loan/Credit/Grant Number:** EXIM-04020, IBRD-42040, JPN-27089

**Sector(s):** Roads and highways (45%), Railways (37%), Ports, waterways, and shipping (10%), Central government administration (8%)

**Theme(s):** Export development and competitiveness (P), Regulation and competition policy (S)

### Project Development Objectives:

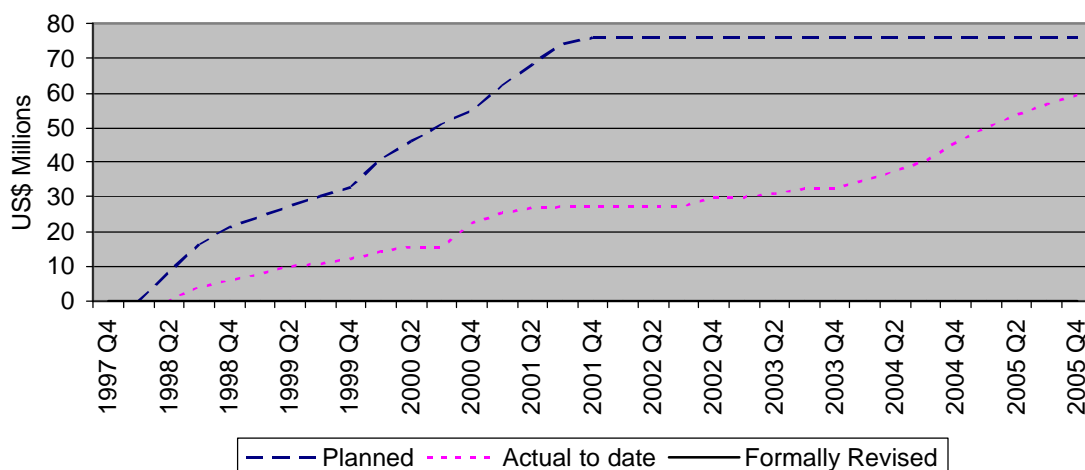
The objective is to facilitate the cost-efficient transport of forestry products from forest to port-of-exit with the rehabilitation of transport infrastructure.

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

There was good progress towards achieving the project development objective, particularly in the road sector and in railways. The structural reform of the railway was consolidated. There was also advancement in the maintenance of departmental roads. The objective is expected to be substantially met. Road and port transport costs have improved considerably and, despite less than expected rehabilitation in the rail network, rail service has improved slightly and is more commercially oriented.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
EXIM-04020	Closed	30.00	18.31	9.71	1.97
IBRD-42040	Effective	76.00	59.44	11.56	5.00
JPN-27089	Closed	1.03	1.00	0.00	0.03



**Project Name (ID):** Water Sector Modernization and Systems Rehabilitation (P063383)

**Country:** Uruguay

**Board Approval Date:** 06/06/2000

**Midterm Review Date:** 03/17/2003

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

**Loan/Credit/Grant Number:** IBRD-45560, JPN-29194

**Sector(s):** Water supply (45%), Sewerage (35%), Sanitation (20%)

**Theme(s):** Decentralization (P), Environmental policies and institutions (P), Pollution management and environmental health (P), Other urban development (P)

### Project Development Objectives:

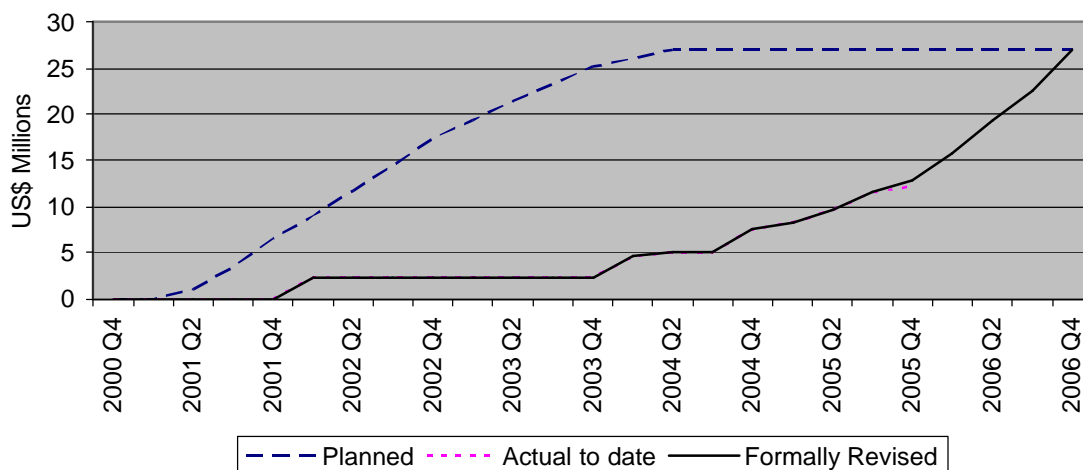
The objective is to increase the efficiency, coverage and sustainability of water supply and sanitation services.

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

The project has made good progress toward achievement of its development objective, despite Uruguay's profound economic crisis in 2002. To date, for example, the National Water Supply and Sanitation Company (OSE) has connected 34,600 households to its sewerage systems in Minas and Treinta y tres (more than final target of 28,000); the connection rate to new sewerage systems is 42 percent (the final target is 80 percent); about 4,860 households in poor neighborhoods have been connected to the water supply system of Montevideo, giving access to potable water to more than 19,500 poor people (about 97 percent of target population). For sanitation, labor productivity has reached the agreed final target (4.8 employees per 1,000 water and sewerage connections vis-à-vis a baseline of 5.6); the operating margin has improved to 39 percent (from 35 percent); the pumps to increase water pumping capacity in the Aguas Corrientes plant to 504,000 m3/day are being installed; and a benchmarking system to measure service quality is already implemented for the capital and most large and medium cities in the interior of the country.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45560	Effective	27.00	12.27	14.73	0.00
JPN-29194	Closed	0.27	0.27	0.00	0.00



**Project Name (ID):** Energy Efficiency (P068124)

**Country:** Uruguay

**Board Approval Date:** 05/13/2004

**Closing Date:** 06/30/2010

**Loan/Credit/Grant Number:** MULT-53298

**Sector(s):** District heating and energy efficiency services (94%), Central government administration (6%)

**Theme(s):** Climate change (P), Infrastructure services for private sector development (S)

**Project Development Objectives:**

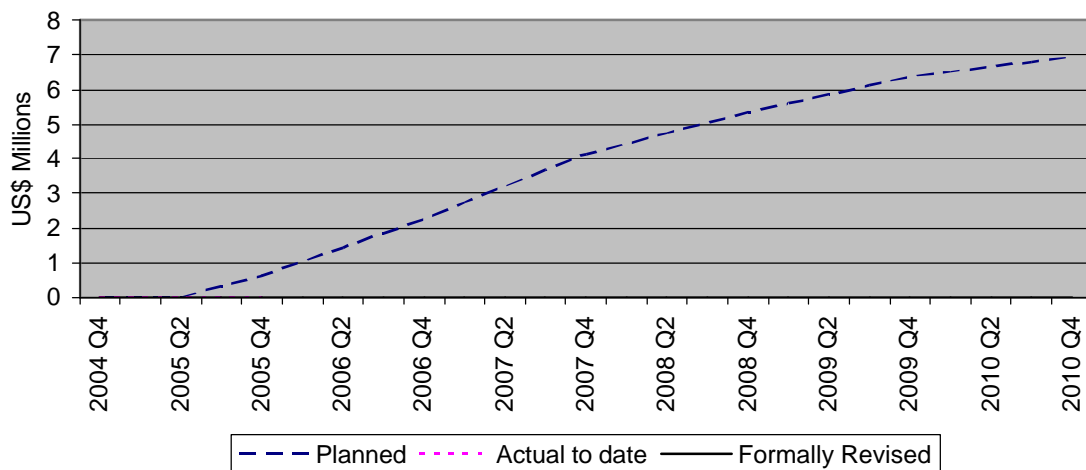
The objective is to increase the demand for and competitive supply of energy efficient goods and services.

**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
MULT-53298	Effective	6.88	0.00	6.88	0.00



**Project Name (ID):** Public Services Modernization Technical Assistance (P070058)

**Country:** Uruguay

**Board Approval Date:** 03/22/2001

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

**Loan/Credit/Grant Number:** IBRD-45980, JPN-27092

**Sector(s):** Telecommunications (33%), General energy (30%), Central government administration (25%), General water, sanitation and flood protection (6%), General transportation (6%)

**Theme(s):** Legal institutions for a market economy (P), Regulation and competition policy (P), Administrative and civil service reform (P)

### Project Development Objectives:

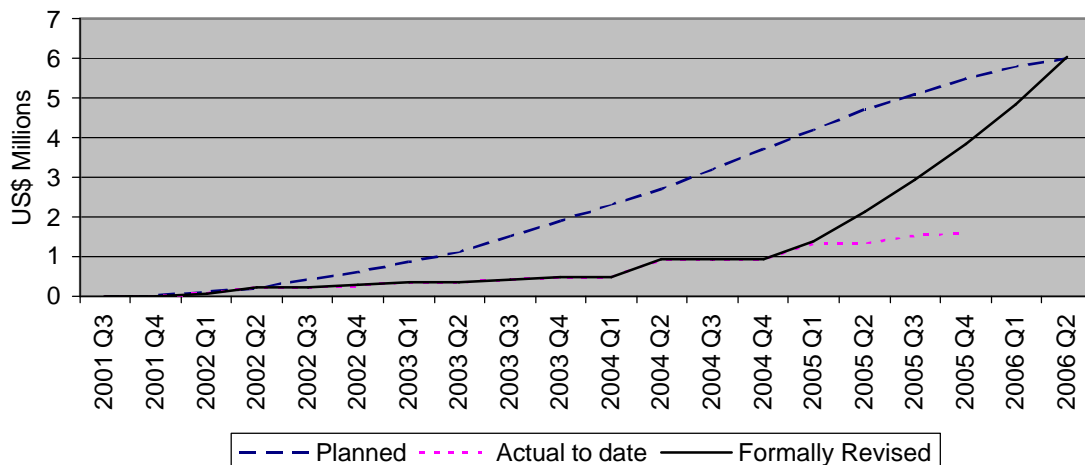
The objectives are to: (a) increase the efficiency and sustainability of and access to public services; and (b) increase the efficiency and sustainability of the financial sector especially of the public banks, supporting the modernization and performance of Banco Hipotecario del Uruguay (BHU).

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

The project continues advancing well toward achievement of its development objectives (PDO). About half of the eleven targets established for the PDO indicators have already been achieved, and the others are also progressing on track. For example, regulatory agencies were established and operating for the water supply and sanitation (WSS), natural gas, petroleum products, power and communications sectors; and the targets for private sector participation were achieved for communications (there are 10 international operators and 3 cellular operators vis-à-vis a target of 3 and 3) and WSS (54,700 persons vis-à-vis 45,000). The implementation of an integral system of management is now underway in the Banco Hipotecario del Uruguay, an essential measure to increase the efficiency and sustainability of the country's financial sector.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45980	Effective	6.00	1.59	4.41	0.00
JPN-27092	Closed	1.29	0.79	0.00	0.50



**Project Name (ID):** Integrated Natural Resources and Biodiversity Management (P070653)

**Country:** Uruguay

**Board Approval Date:** 06/09/2005

**Closing Date:** 08/31/2011

**Loan/Credit/Grant Number:** IBRD-73050

**Sector(s):** Agricultural extension and research (20%), Animal production (20%), Irrigation and drainage (20%), Forestry (20%), Sub-national government administration (20%)

**Theme(s):** Other rural development (P), Other environment and natural resources management (P)

**Project Development Objectives:**

The objective is to promote, mainly among groups of small and medium-sized farmers, the adoption of economically and environmentally viable integrated production systems within a context of holistic ecosystem and natural resources management, while mainstreaming biodiversity conservation.

**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-73050	Not Effective	30.00	0.00	30.00	0.00

**Project Name (ID):** Third Basic Education Quality Improvement (P070937)

**Country:** Uruguay

**Board Approval Date:** 04/25/2002

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

**Loan/Credit/Grant Number:** IBRD-71130

**Sector(s):** Primary education (54%), Pre-primary education (20%), Tertiary education (12%), Central government administration (11%), Other social services (3%)

**Theme(s):** Access to urban services and housing (P), Education for all (P), Vulnerability assessment and monitoring (P), Rural services and infrastructure (P), Participation and civic engagement (S)

### Project Development Objectives:

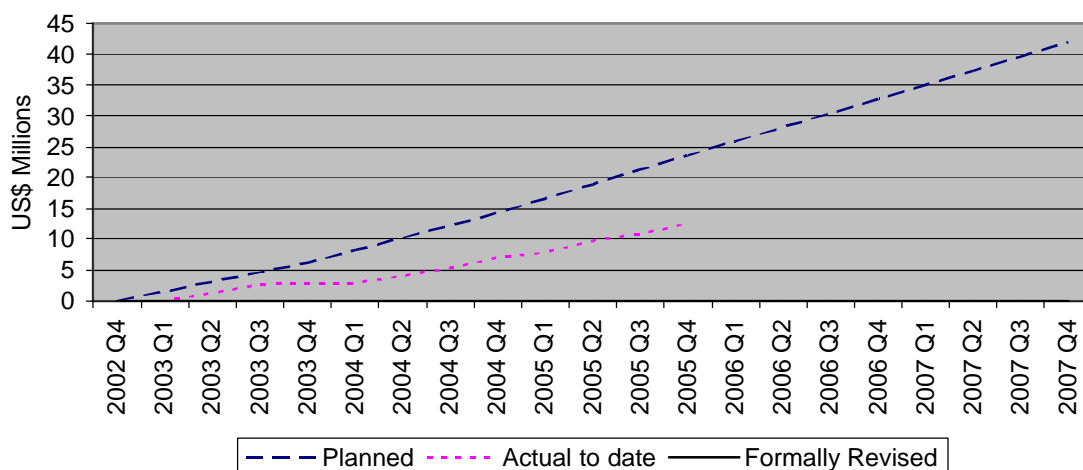
The objectives are to: (a) increase equity in the provision of pre-school and primary education; (b) improve the quality of preschool and primary education; and (c) increase the efficiency of the pre-school and primary education system.

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

The project continues to be negatively affected by the fiscal situation with the authorized budget for the implementing agency being cut by 28 percent. Consequently, the project is falling short of achieving its development objectives, particularly regarding enrollment in full-time schools. The Government has proposed a project restructuring to give more emphasis to investments in schools in disadvantaged contexts outside the full-time school system. Alternative scenarios of project re-programming are presently being studied by the Government.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71130	Effective	42.00	12.55	29.45	0.00



**Project Name (ID):** Foot and Mouth Disease Emergency Recovery (P074543)

**Country:** Uruguay

**Board Approval Date:** 07/31/2001

**Midterm Review Date:** 08/02/2002

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

**Loan/Credit/Grant Number:** IBRD-70700

**Sector(s):** Animal production (86%), Central government administration (14%)

**Theme(s):** Natural disaster management (P), Other rural development (P), Export development and competitiveness (S)

### Project Development Objectives:

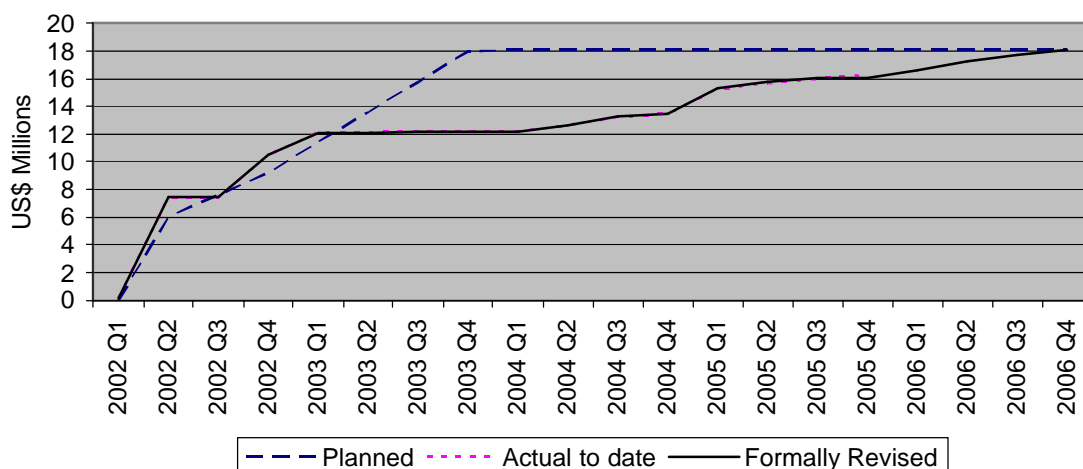
The objective is to contain and mitigate the impact of the outbreak of Foot and Mouth disease.

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

The project continues to progress well and to focus on ensuring the long-term sustainability of its objective. Success has been achieved with respect to epidemiological containment of the disease and renewed access to export markets. Activities are now focused on: a) the consolidation of the National Livestock Information System (SNIG) and the Pilot Plan for Individual Livestock Traceability (PTI); b) training of animal-health professionals and farmers involved in the National Animal Health System; and c) strengthening of the equipment and functioning of sanitary barriers.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70700	Effective	18.50	16.32	2.18	0.00



**Project Name (ID):** Public Services and Social Sectors Structural Adjustment (P078726)  
**Country:** Uruguay  
**Board Approval Date:** 04/08/2003  
**Closing Date:** 12/31/2005  
**Loan/Credit/Grant Number:** IBRD-71640  
**Sector(s):** General information and communications (25%), General water, sanitation and flood protection (25%), General transportation (25%), General energy (25%)  
**Theme(s):** Regulation and competition policy (P), Infrastructure services for private sector development (P), Legal institutions for a market economy (P)

**Project Development Objectives:**

The objective is to reduce prices, increase quality and coverage, and improve efficiency of investment, production and distribution of services, and infrastructure.

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

The serious setbacks caused by the results of the referendums that repealed the law on ANCAP (the national oil company) and amended the Constitution precluding private sector participation in water supply and sanitation, the political campaigning previous to the general elections, and the transition of governments delayed progress toward achieving the project development objective. The new administration (in power since March 2005) requested some time to rethink the strategy and in May 2005, reiterated its commitment to the objectives of the program. Important progress has been made in achieving intermediate outcomes and key measures have been taken. For example, tariffs have been increased to ensure utilities' financial feasibility; simplistic interpretations of the consequences of the referendums have been avoided, including ruling non-retroactive the referendum on water; and the decisions of the Communications Regulator on mobile phones and the radio-electric spectrum were supported.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71640	Effective	151.52	51.52	100.00	0.00

**Project Name (ID):** Social Program Support (P095028)

**Country:** Uruguay

**Board Approval Date:** 06/09/2005

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

**Loan/Credit/Grant Number:** IBRD-73020

**Sector(s):** General education (44%), Health (30%), Other social services (13%), Compulsory health finance (9%), Central government administration (4%)

**Theme(s):** Health system performance (P), Education for all (P), Social safety nets (S), Improving labor markets (S), Social analysis and monitoring (S)

**Project Development Objectives:**

The objectives are to: (a) recognize Uruguay's social policy response to the economic crisis of 2001 and 2002; (b) support past and ongoing structural and administrative reforms in the health, education, and social protection sectors; and (c) assist the early activities of the new Administration in various social policy areas.

**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-73020	Not Effective	75.38	0.00	75.38	0.00