

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: MIDDLE EAST AND NORTH AFRICA
COUNTRY: ALGERIA

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Middle East and North Africa
Country: Algeria

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: Algeria

Project Name (ID): Financial System Infrastructure Modernization (P054217)

Country: Algeria

Board Approval Date: 07/26/2001

Midterm Review Date: 12/01/2004

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IBRD-70690

Sector(s): Payment systems, securities clearance, and settlement (50%), Telecommunications (45%), Banking (5%)

Theme(s): Other financial and private sector development (P), Standards and financial reporting (S)

Project Development Objectives:

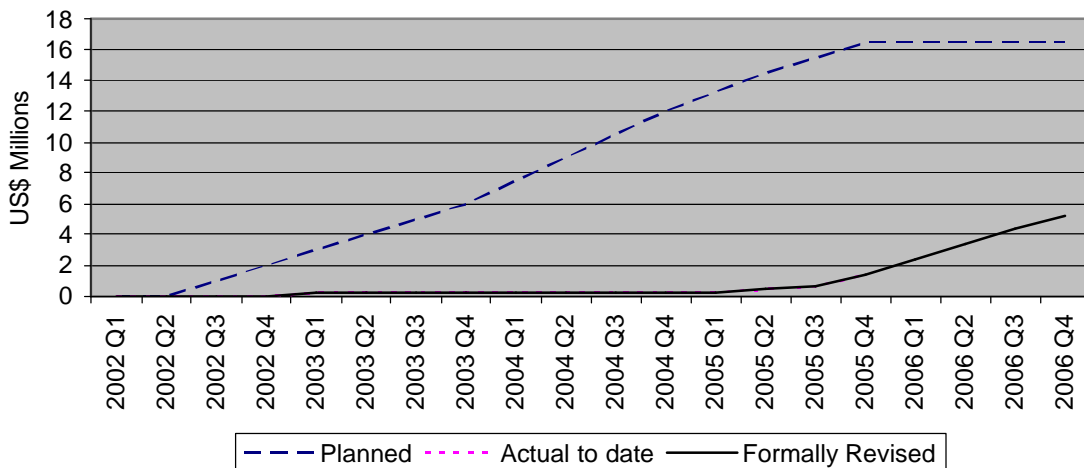
The objective is to put in place a more efficient enabling infrastructure for basic financial services.

Progress toward achieving development objective(s):

Substantial progress has been made toward the development of the necessary institutional and policy framework for both large value and small value payments systems, and toward the procurement of the requisite physical infrastructure. The project closing date has been extended and a partial cancellation of the loan took place, reflecting significant savings in two components and the decision by the Central Bank of Algeria to finance one component with its own funds.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70690	Effective	16.50	1.39	3.81	11.30



Project Name (ID): Budget System Modernization (P064921)

Country: Algeria

Board Approval Date: 02/06/2001

Midterm Review Date: 04/15/2004

Closing Date: 02/28/2006

Loan/Credit/Grant Number: IBRD-70470

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

Theme(s): Economic statistics, modeling, and forecasting (P), Public expenditure, financial management, and procurement (P)

Project Development Objectives:

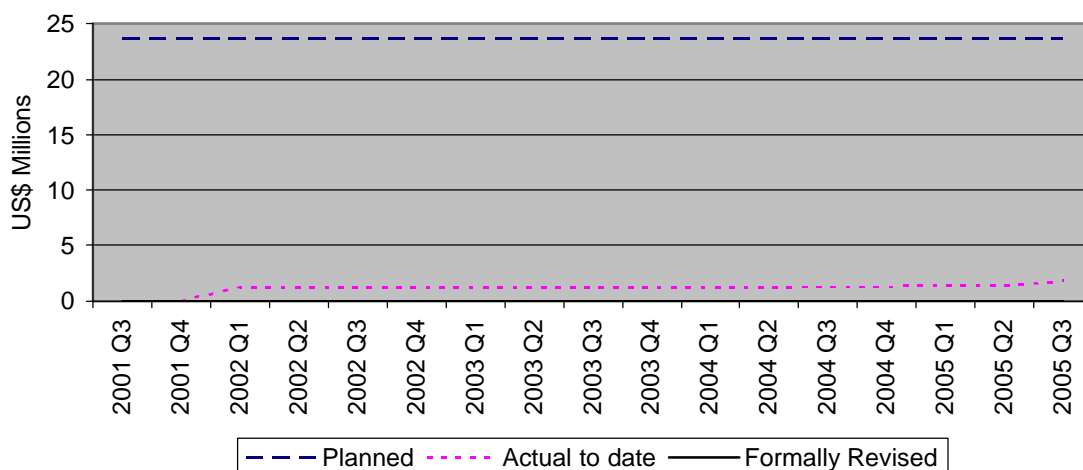
The objective of the project is to enhance the capacity of the Ministry of Finance to discharge its core expenditure management and economic policy advice functions.

Progress toward achieving development objective(s):

The project has faced substantial delays since 2001. Although there has been some positive progress during the past year, a World Bank mission is scheduled for July 2005 to assess whether the project will be able to meet its objectives by the closing date.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70470	Effective	23.70	1.76	21.94	0.00



Project Name (ID): Mortgage Finance Technical Assistance (P064983)

Country: Algeria

Board Approval Date: 06/27/2002

Midterm Review Date: 12/08/2004

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-71310, JPN-26124

Sector(s): Housing finance and real estate markets (50%), Capital markets (30%), Central government administration (10%), Information technology (10%)

Theme(s): Other economic management (P), Other financial and private sector development (S)

Project Development Objectives:

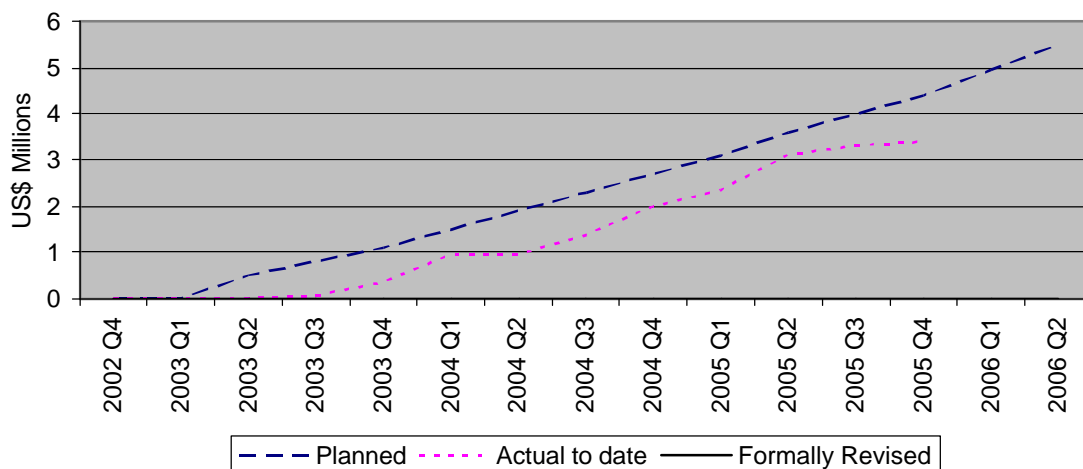
The objective is to help strengthen the enabling environment for a well-functioning mortgage loan market.

Progress toward achieving development objective(s):

Progress is being made in meeting the Project's development objectives. Project outputs show good progress on recommendations regarding legal amendments to improve property rights. In addition, more than half of the identified operational staff has been trained on mortgage lending issues. The volume of market-based mortgage loans in the retail market is now gradually beginning to increase.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71310	Effective	5.50	3.38	2.12	0.00
JPN-26124	Closed	0.27	0.27	0.00	0.00



Project Name (ID): Energy and Mining Technical Assistance (P067567)

Country: Algeria

Board Approval Date: 02/27/2001

Midterm Review Date: 05/05/2003

Closing Date: 08/31/2006

Loan/Credit/Grant Number: IBRD-70480, IBRD-P3730

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

Theme(s): Legal institutions for a market economy (P), Environmental policies and institutions (P), Regulation and competition policy (P), State enterprise/bank restructuring and privatization (P), Law reform (S)

Project Development Objectives:

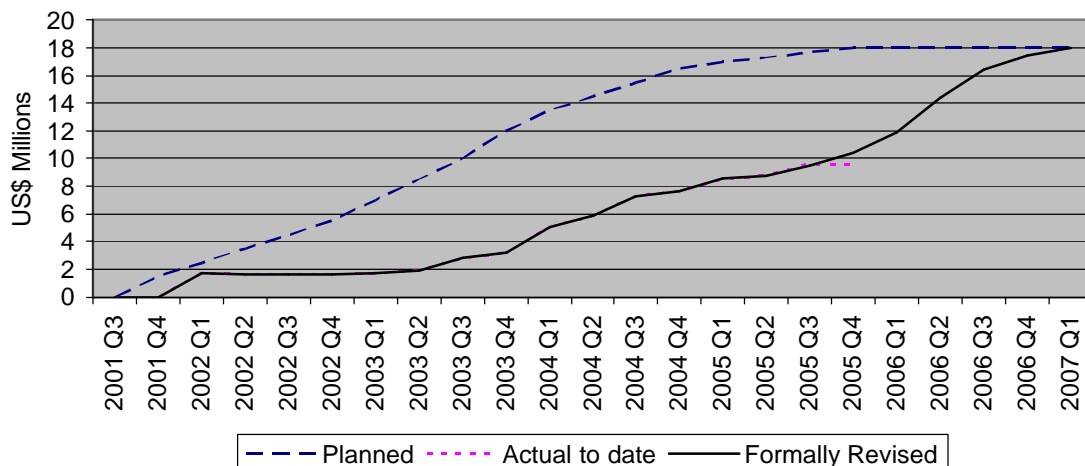
The objectives are to reform the energy and mining sectors, including setting the stage to improve sector efficiency, introducing market forces, developing untapped resources, addressing environmental concerns and alleviating the sector's financial burden on public finances.

Progress toward achieving development objective(s):

Good progress has been made towards achieving the Project's Development Objectives. New mining (July 2001), electricity (February 2002) and hydrocarbon (April 2005) laws were adopted and promulgated. Regulatory agencies for the electricity and mining sector were and are gradually becoming operational. The restructuring of Sonelgaz, the electric and gas distribution utility, is well underway and is expected to be completed by early 2006. In mining, the issuance of licenses to private operators has considerably increased and the initial results are encouraging. Preparatory work on secondary legislation for the hydrocarbon sector and the establishment of the new regulatory agencies in the hydrocarbon sector has been completed. Attracting private capital in the upstream oil and gas sector and in mining sectors has been rather successful, but in the electricity sector only a limited amount of private sector capital has so far been mobilized and only with Government guarantees.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70480	Effective	18.00	9.61	8.39	0.00
IBRD-P3730	Closed	0.65	0.00	0.00	0.65



Project Name (ID): Urban Natural Hazard Vulnerability (P067605)

Country: Algeria

Board Approval Date: 08/08/2002

Closing Date: 02/28/2007

Loan/Credit/Grant Number: IBRD-71390

Sector(s): Other social services (70%), Flood protection (20%), Central government administration (9%), Forestry (1%)

Theme(s): Access to urban services and housing (P), Natural disaster management (P), Water resources management (P)

Project Development Objectives:

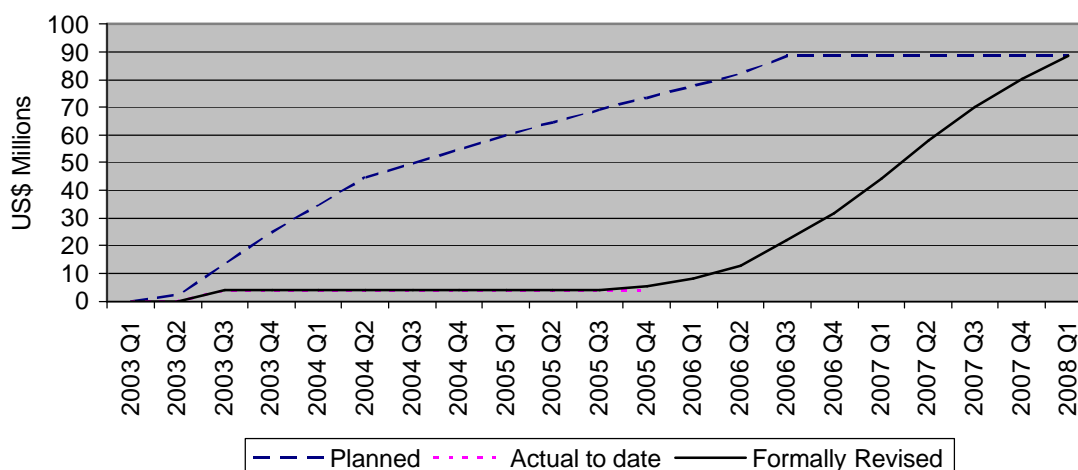
The objectives of the project are to: (a) reduce urban vulnerability to natural hazards; and (b) strengthen the national capacity for disaster management following the 2001 floods.

Progress toward achieving development objective(s):

The key activities aiming at reducing the urban vulnerability in the Wilaya of Algiers are making good progress. These include reforestation to limit the problem of soil erosion (25% progress), slope stabilization and cleaning of debris in riverbeds to improve the hydraulic flow in the Oueds (25% progress). As for the housing construction activities for the affected population, the detailed studies and environmental impact studies for the new housing projects have been completed. Furthermore, the ability of Algerian institutions to cope with natural disasters has improved. Their monitoring capacity was strengthened through the design and implementation of an integrated monitoring and early warning system for meteorological risks. Also, the procurement of necessary equipment for improving the means of intervention by civil protection organizations is making good progress.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71390	Effective	88.45	4.00	84.45	0.00



Project Name (ID): Ain Temouchent Emergency Earthquake Recovery (P069947)

Country: Algeria

Board Approval Date: 06/22/2000

Midterm Review Date: 02/12/2002

Closing Date: 09/30/2005

Loan/Credit/Grant Number: IBRD-70230

Sector(s): Housing construction (56%), Other social services (26%), Central government administration (10%), General water, sanitation and flood protection (6%), Roads and highways (2%)

Theme(s): Natural disaster management (P)

Project Development Objectives:

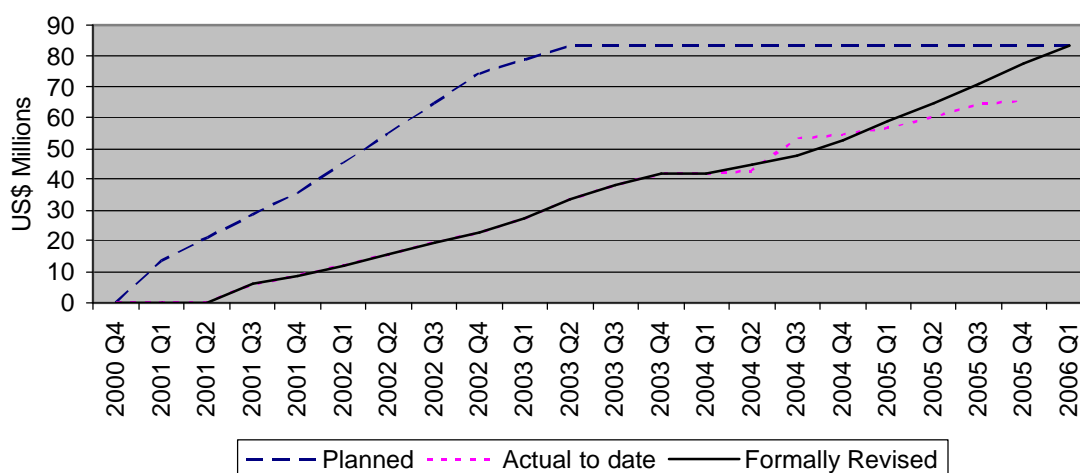
The objectives are to: (a) restore normal functioning of communities damaged by the December 1999 earthquake in the Wilaya of Ain Temouchent; and (b) increase national preparedness for future disasters.

Progress toward achieving development objective(s):

On the first development objective, the bulk of the damaged infrastructure, facilities, and equipment have been rebuilt or repaired. Displaced people have been resettled in well-serviced areas. The last equipment to be completed is the hospital for which works are well advanced and expected to be fully completed in January 2006. On the second development objective, the studies on seismic micro zoning, disaster insurance and construction codes, as well as the acquisition of seismograph are now complete. The purchase of emergency rescue equipment and the technical activities on emergency communication systems which are critical to enhance disaster preparedness at national and local levels are underway. Overall, the Project Development Objectives will be fully achieved.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70230	Effective	83.46	65.61	17.85	0.00



Project Name (ID): Telecommunications and Postal Sector Reform (P070308)

Country: Algeria

Board Approval Date: 06/27/2000

Midterm Review Date: 10/10/2002

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IBRD-70270

Sector(s): Central government administration (62%), Law and justice (24%), Postal services (14%)

Theme(s): State enterprise/bank restructuring and privatization (P), Administrative and civil service reform (P), Legal institutions for a market economy (P), Law reform (P), Regulation and competition policy (S)

Project Development Objectives:

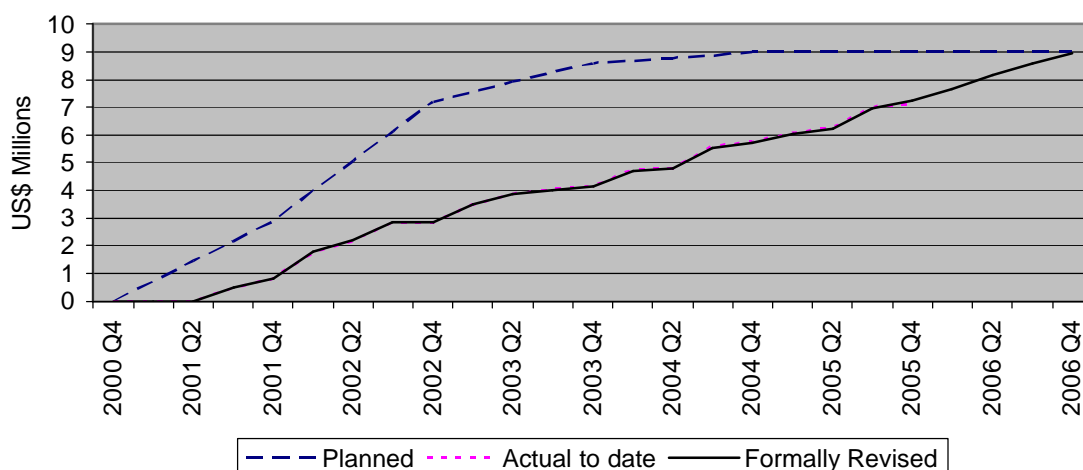
The project seeks to create an enabling environment to improve access to efficient and affordable communications services by opening the telecommunications and postal sectors to competition and private participation.

Progress toward achieving development objective(s):

The project continues to make progress toward achieving its development objectives. The government's award of second and third mobile operator licenses in 2001 and 2003, respectively, has fueled an increase in telephone penetration from 0.35% of the population in 2000 to 14.5% in 2004. The new management team of the incumbent operator Algérie Telecom has recently tackled key operational and financial issues (reduction of arrears, tariff rebalancing), resulting in a 30% increase in fixed-line subscribers and a 300% increase in mobile subscribers in 2004. This should positively impact the privatization transaction to be concluded by end-2005. The government has also liberalized the postal sector, which is expected to be in line with EU and WTO guidelines by January 2008.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70270	Effective	9.00	7.10	1.90	0.00



Project Name (ID): Transport Technical Assistance (P072458)

Country: Algeria

Board Approval Date: 08/23/2001

Midterm Review Date: 01/25/2005

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-70730

Sector(s): Railways (34%), Roads and highways (32%), Ports, waterways, and shipping (24%), Aviation (10%)

Theme(s): Infrastructure services for private sector development (P), Regulation and competition policy (P), Other urban development (P), Other financial and private sector development (P)

Project Development Objectives:

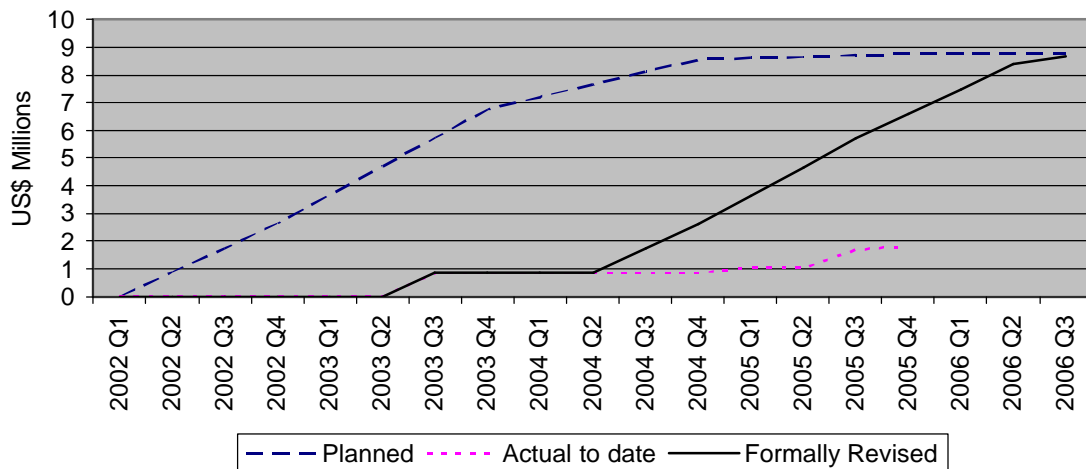
The objectives are to set up a policy and institutional framework encouraging competition and private participation in infrastructure.

Progress toward achieving development objective(s):

Although project implementation started late, the first wave of technical studies are making good progress. The Minister of Transport is committed to implement in depth institutional reforms in the transport sector while focusing on policy priorities that are in line with the core development objectives.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70730	Effective	8.72	1.83	6.89	0.00



Project Name (ID): Second Rural Employment (P076784)

Country: Algeria

Board Approval Date: 04/29/2003

Closing Date: 06/30/2009

Loan/Credit/Grant Number: IBRD-71680, JPN-50503

Sector(s): Crops (45%), Forestry (35%), Irrigation and drainage (10%), Animal production (5%), Roads and highways (5%)

Theme(s): Participation and civic engagement (P), Land administration and management (P), Rural non-farm income generation (S), Water resources management (S), Rural services and infrastructure (S)

Project Development Objectives:

The Project Development Objective is to generate and stimulate sustainable rural employment in poor rural mountainous areas of northwest and north-central Algeria; alleviate the adverse social effects of adjustment; promote community involvement in rural development; enhance sustainable assets creation to stimulate employment and contribute to growth in agriculture.

Progress toward achieving development objective(s):

There has been significant progress in project implementation in 2005. All field and central staff are in place and financial resources are available when required. The first infrastructure works for year 1 have been launched, generating employment and income. The launching of infrastructure work for year 2 is currently under preparation.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71680	Effective	95.00	4.20	90.80	0.00
JPN-50503	Closed	0.40	0.37	0.00	0.03

