

STATUS OF PROJECTS IN EXECUTION – FY06
SOPE
REGION: EUROPE AND CENTRAL ASIA
COUNTRY: BULGARIA

Operations Policy and Country Services
SEPTEMBER 19, 2006



Report on the Status of Projects in Execution - FY06
SOPE
Region: Europe and Central Asia
Country: Bulgaria

Introduction

The Status of Projects in Execution (SOPE) Report for FY06 provides information on all IBRD/IDA projects that were active on June 30, 2006.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge 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.

In addition to the project progress description, the FY06 SOPE report¹ contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date for all active projects.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.



Country: Bulgaria

Project Name (ID): District Heating (P008314)

Country: Bulgaria

Board Approval Date : 06/17/2003

Midterm Review Date : 11/21/2005

Closing Date : 06/30/2008

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

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

Theme(s): Other urban development (P)

Project Development Objectives:

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

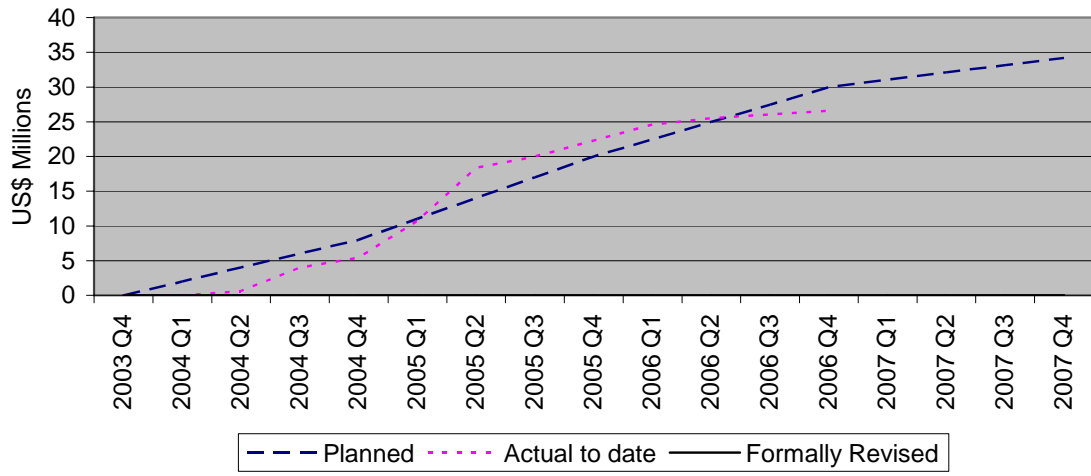
Progress toward achieving development objective(s):

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

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47030	Effective	7.00	5.62	1.38	0.00
IBRD-47040	Effective	32.67	20.96	11.83	0.00
JPN-29111	Closed	0.53	0.56	0.00	0.00





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

Country: Bulgaria

Board Approval Date : 06/21/2001

Midterm Review Date : 10/25/2004

Closing Date : 03/01/2008

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

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

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

Project Development Objectives:

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

The Project was restructured during the 2006 Fiscal Year

The goals of the restructuring were to update a few project indicators making them more relevant for project monitoring, reduce some activities and the loan amount accordingly, and extend the project's closing date by one year to allow for the implementation of the IT system.

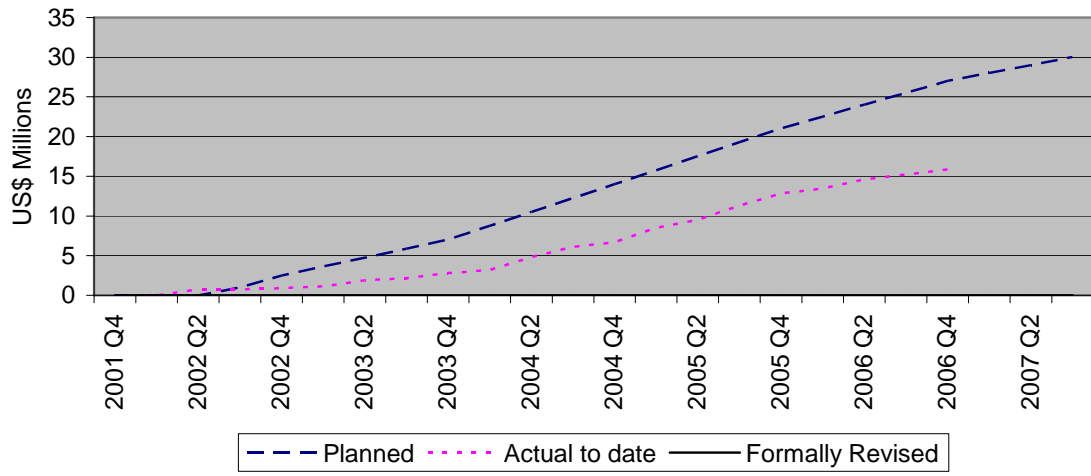
Progress toward achieving development objective(s):

There has been good progress towards the achievement of the project's objectives. The regulations for cadastral mapping were improved and brought in line with best international practice. This will allow the quicker coverage of the country with approved cadastral maps.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46190	Effective	42.09	15.86	19.37	5.78
NETH-50265	Effective	2.00	1.52	0.48	0.00





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

Country: Bulgaria

Board Approval Date : 06/22/2000

Midterm Review Date : 05/23/2003

Closing Date : 03/31/2007

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

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

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

Project Development Objectives:

The objective of the project is to support a fundamental reform of the health sector in Bulgaria, aiming at improving access to and cost-effectiveness of the system, and ensuring on-going financial and operational sustainability.

Progress toward achieving development objective(s):

Based on progress to date, it is likely that the project will partially meet its development objective.

Though indicators for access have improved somewhat, the change is marginal and inconsistent. For example, 61% of people in 2006 reported that they have a general practitioner in their neighborhood (within 15 minutes) in comparison to 55% in 2004; however, 83.6% of people in 2006 report that they have not limited their use of services because of distance in comparison to 86.3% in 2004.

The cost-effectiveness of the system is still a concern. While the percent of the national health budget for primary health care services has remained relatively stable over the last several years around 6-7% (2001-2004), the percent of the national health budget going towards inpatient services seems to be increasing from about 39%-45% (2000-2004).

The health system is financially stable and sustainable, as Bulgaria has only increased national health spending from 4.0% of GDP in 2001 to 4.3% in 2004, which is within the target estimations. Additionally, the administrative costs of the National Health Insurance Fund (NHIF) has been kept at less than 3% of its total revenues as targeted. However, as the NHIF has increasingly taken over primary responsibility for financing in-patient services, the NHIF has begun to experience budget deficits. One important tool to be financed by the Project -- an integrated information system for the NHIF -- for supporting operational sustainability of the NHIF has been delayed. However, the contract for this system is currently being finalized. A reallocation of Loan proceeds and

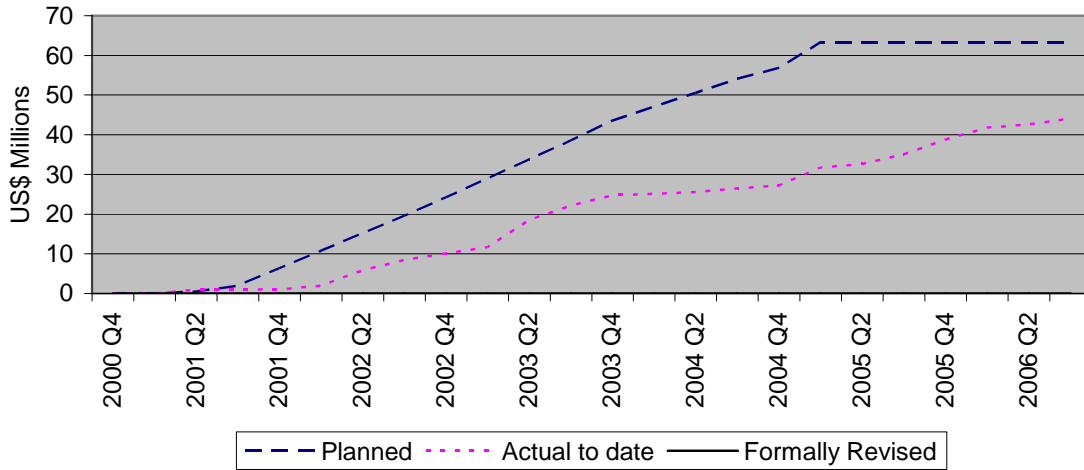


further extension are currently being considered in order to support this and other activities that would further the achievement of the development objectives.

Finally, the Government of Bulgaria is currently preparing a policy-based Loan that would further support the objective of improved access to and efficiency of the health system.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45650	Effective	86.58	44.07	34.78	0.00
SWTZ-23359	Closed	2.22	1.76	0.00	0.01



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

Country: Bulgaria

Board Approval Date : 06/13/2002

Midterm Review Date : 06/01/2006

Closing Date : 03/15/2008

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

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

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

Project Development Objectives:

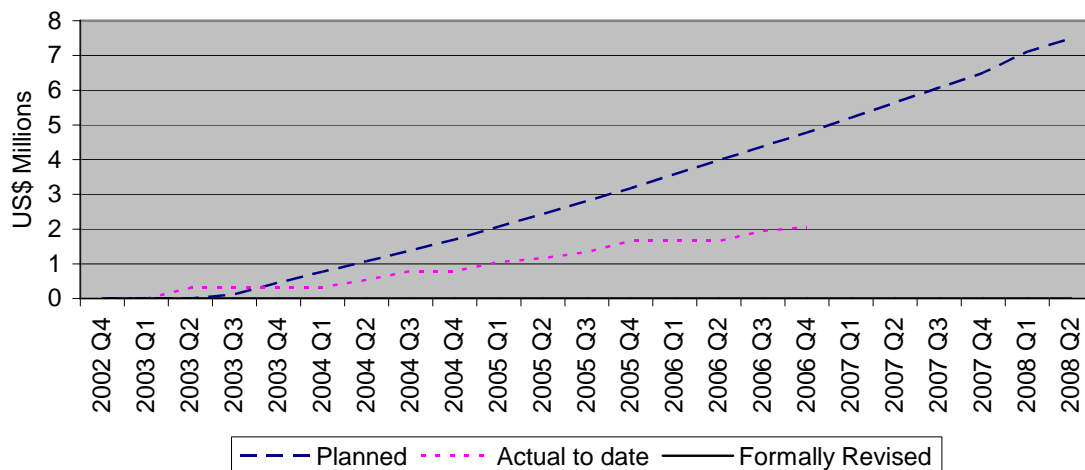
The objective is that local communities and local authorities in the Persina Nature Park and Kalimok/Brushlen Protected Site areas adopt sustainable natural resources management practices.

Progress toward achieving development objective(s):

The project has made good progress with the construction of the visitors' center and launch of restoration works in Belene. Both the Small Grants Program and the Farmer Transition Support Program are developing well. The management plans for the two areas have been developed in a participatory manner and approved by the authorities.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-50706	Effective	7.50	2.06	5.44	0.00
WBTF-24837	Closed	0.35	0.34	0.00	0.01



Project Name (ID): Social Investment and Employment Promotion (SIEP) (P069532)
Country: Bulgaria
Board Approval Date : 12/17/2002
Midterm Review Date : 05/12/2005
Closing Date : 12/31/2007
Loan/Credit/Grant Number : IBRD-46810, JPN-26777
Sector(s): Other social services (50%), General water, sanitation and flood protection (20%), Health (15%), General education (10%), Sub-national government administration (5%)
Theme(s): Participation and civic engagement (P), Improving labor markets (P), Access to urban services and housing (P), Municipal governance and institution building (S)

Project Development Objectives:

The objective is to improve the living conditions of people locked in persisting pockets of poverty in Bulgaria, concentrated regionally, among the long-term unemployed, and among specific excluded groups.

Progress toward achieving development objective(s):

Implementation is progressing fast, and the project is steadily moving towards meeting its development objectives. Information on outputs and outcomes, though still needing improvement, is confirming this direction. The community infrastructure for development initiative component showed very good performance in the first half of 2006, boosting disbursements and implementing a total of 327 micro-projects. Beneficiaries report increasing satisfaction with the selection and results of the micro-projects, and demand more Social Investment Fund services--this is proof of the high esteem that local governments and communities are placing on the project. Social capital has also increased as a result of the project activities, with more than 50 new community partnerships created for direct community work. The active labor market initiative component, though experiencing some initial startup delays, is now gaining speed and is already implementing more than 250 contracts with various service providers.

In addition, the project is showing steady sustainability prospects as the government intends to turn the Social Investment Fund into an institution capable of disbursing European Union structural funds for social infrastructure, services, social inclusion and social capital building.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46810	Effective	63.83	37.26	26.00	0.00



JPN-26777

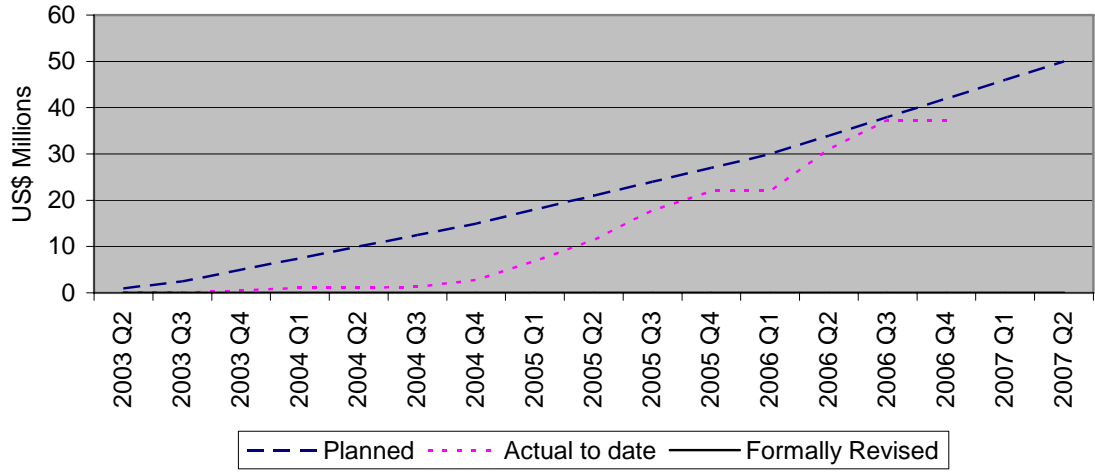
Closed

0.37

0.36

0.00

0.01



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

Country: Bulgaria

Board Approval Date : 06/05/2003

Midterm Review Date : 12/15/2005

Closing Date : 06/30/2009

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

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

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

Project Development Objectives:

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

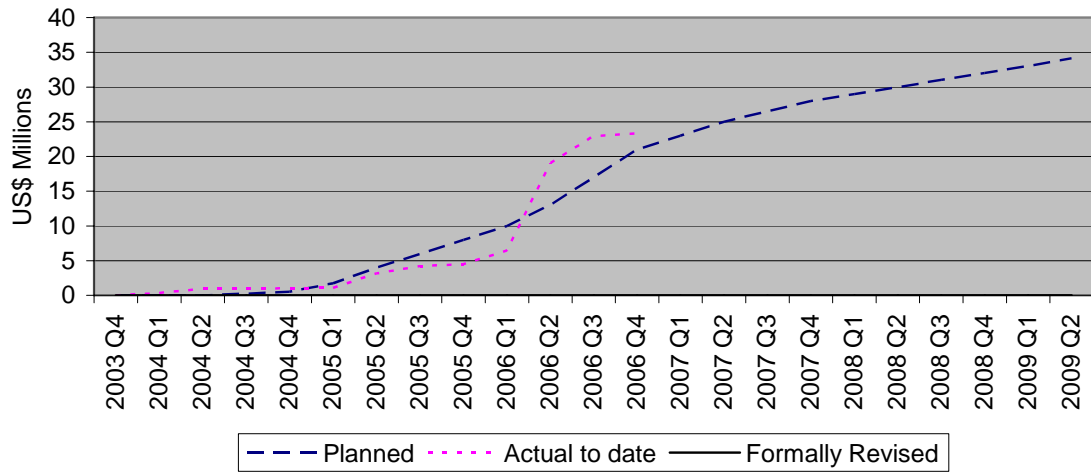
Progress toward achieving development objective(s):

Progress toward the achievement of the development objectives continues to be best practice. In January 2006, the National Revenue Agency started full operations, including integrated collection of taxes and social contributions countrywide, devolution of the collection of local taxes to local governments, a streamlined field network and a modern organizational structure. Key principles of taxpayer services and risk-based audits have been introduced. Voluntary compliance has improved and has yielded increased revenue despite many tax rate reductions. This is underpinned by a modern EU-compliant tax and social security procedural code.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46990	Effective	40.08	23.32	15.86	0.00
JPN-26692	Closed	0.31	0.28	0.00	0.03





Project Name (ID): Energy Efficiency GEF (P084831)

Country: Bulgaria

Board Approval Date : 03/22/2005

Midterm Review Date : 10/15/2007

Closing Date : 03/31/2010

Loan/Credit/Grant Number : JPN-51713, MULT-52641, MULT-54515

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

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

Project Development Objectives:

The global environment objective is to support a large increase in energy efficiency investments in Bulgaria through development of self-sustaining market-based financing mechanisms.

Progress toward achieving development objective(s):

The Bulgaria Energy Efficiency Fund (BEEF) is off to a strong start and is now fully operational. US\$6.5 million of the Global Environment Facility grant has already been transferred to BEEF's account. Its current portfolio consists of 16 projects, an impressive result when compared to similar finance facilities in the region at the same early state of operation. Projects are being approved for loan financing and partial credit guarantees.

Lending Information/Disbursement Summary (USD millions, as of June 30 2006)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-51713	Closed	0.89	0.88	0.01	0.00
MULT-52641	Closed	0.30	0.30	0.00	0.00
MULT-54515	Effective	10.00	6.50	3.50	0.00

