

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

Operations Policy and Country Services
SEPTEMBER 19, 2006



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

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: Kazakhstan

Project Name (ID): Road Transport Restructuring (P008499)

Country: Kazakhstan

Board Approval Date : 02/09/1999

Midterm Review Date : 11/21/2002

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IBRD-44370, IBRD-P2960, IBRD-P2961, JPN-29678

Sector(s): Roads and highways (97%), Central government administration (3%)

Theme(s): Infrastructure services for private sector development (P), Access to urban services and housing (S), Rural services and infrastructure (S), Regulation and competition policy (S)

Project Development Objectives:

The main development objective of the project is to achieve more efficient road and road transport sub-sectors in Kazakhstan.

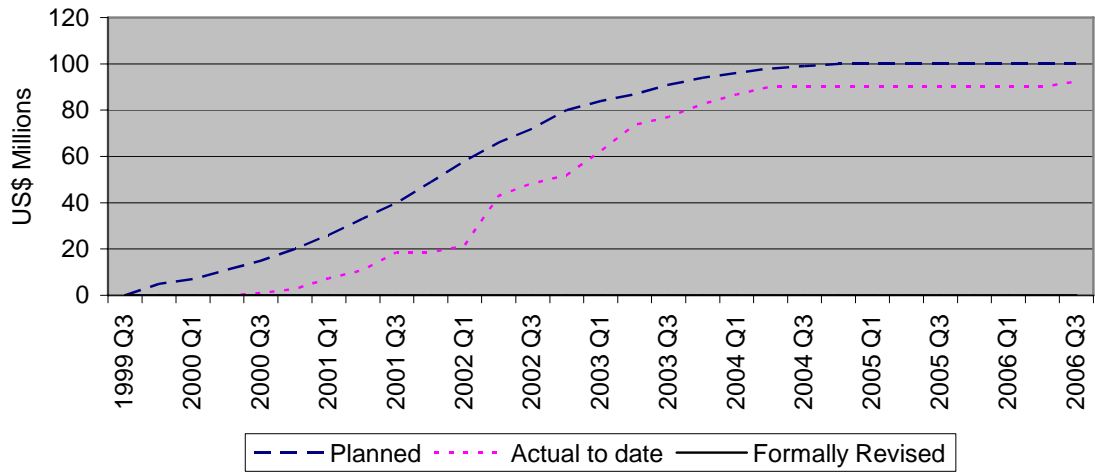
Progress toward achieving development objective(s):

The project development objective has largely been achieved with the completion of rehabilitation of the Astana-Almaty road, which was opened to traffic in October 2004. In order to consolidate gains made in institutional capacity, further work in this area is still required. A project extension was requested by the government in order to allow time for remedial actions to repair defects that appeared soon after the reconstruction of one section of the road, comprising about 124 km out of the 473 km rehabilitated with Bank support.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-44370	Effective	100.00	92.41	7.59	0.00
IBRD-P2960	Closed	0.80	0.00	0.00	0.80
IBRD-P2961	Closed	0.30	0.00	0.00	0.30
JPN-29678	Closed	0.56	0.56	0.00	0.00





Project Name (ID): Uzen Oil Field Rehabilitation (P008507)

Country: Kazakhstan

Board Approval Date : 07/02/1996

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-40610, IBRD-P2810

Sector(s): Oil and gas (100%)

Theme(s): State enterprise/bank restructuring and privatization (P), Pollution management and environmental health (P)

Project Development Objectives:

The objectives are to: (a) reduce the rate of decline in production of the Uzen oil field and generate resources for reinvestment thereof; (b) restructure Uzenmunaigas into viable corporate units and privatize these; (c) assess the impact of past operating practices on the present condition of the reservoirs, wells and the environment of the field; (d) contribute to the remediation of past environmental damage to the field and strengthen environmental monitoring and management; and (e) train Uzenmunaigas' staff in modern oil field operating practices and strengthen their capacity to manage the implementation of the rehabilitation program and oil field operations.

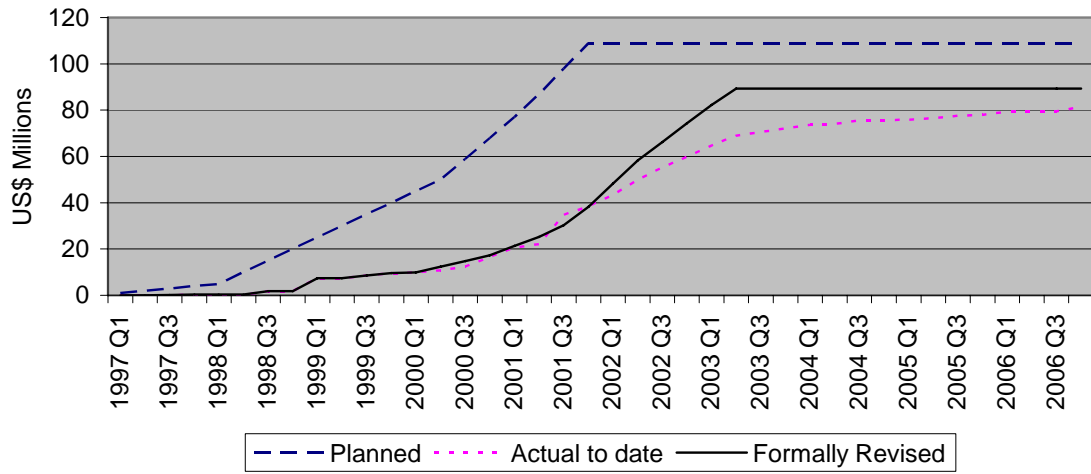
Progress toward achieving development objective(s):

The project has largely achieved its development objectives. The main objective, which was to slow the decline of the field, has been more than achieved. Production has more than doubled through the course of project implementation. Of the other four objectives, only part of one has not been achieved. This one involved restructuring Uzenmunaigas (done) and privatization (which has not yet happened, but is supposed to be partially achieved later this year through a stock offering).

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-40610	Effective	109.00	81.46	27.54	0.00
IBRD-P2810	Closed	1.50	0.00	0.00	1.50





Project Name (ID): Syr Darya Control and Northern Aral Sea Phase I (P046045)

Country: Kazakhstan

Board Approval Date : 06/05/2001

Midterm Review Date : 07/31/2004

Closing Date : 12/31/2008

Loan/Credit/Grant Number : IBRD-46090, IBRD-P3710, JPN-25236, JPN-27108

Sector(s): Irrigation and drainage (66%), Flood protection (29%), Central government administration (4%), Animal production (1%)

Theme(s): Water resources management (P), Rural services and infrastructure (P), Biodiversity (S), Infrastructure services for private sector development (S)

Project Development Objectives:

The project objectives are to sustain and increase agriculture, livestock and fisheries production in the Syr Darya basin; and to secure the existence of Northern Aral Sea and improve ecological/environmental conditions in the delta area and around the sea leading to improved human and animal health and biodiversity conservation.

Progress toward achieving development objective(s):

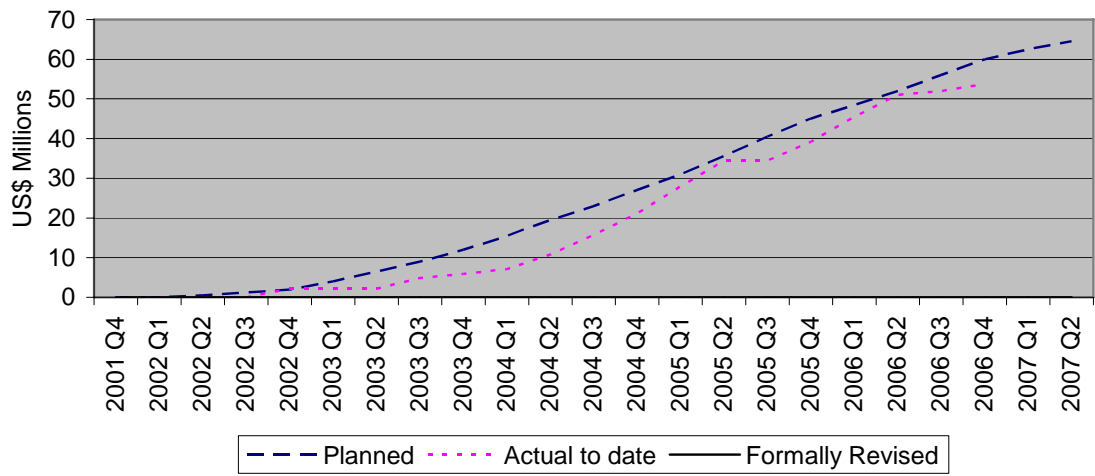
The project is contributing to improvement of living conditions of the population along the Syr Darya by constructing and rehabilitating several hydraulic structures along the river, including flood protection dikes. This has allowed Kazakhstan to pass larger winter flows that are more than twice as the previous years and summer flows that have been beneficial to agriculture, livestock, and fisheries production.

Water flows to the Syr Darya delta and Northern Aral Sea have increased since August 2005. The volume and area of the Northern Aral Sea have increased considerably, which has resulted in improved ecological conditions in and around the Northern Aral Sea and a revival of the fishing industry.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46090	Effective	64.50	53.80	10.70	0.00
IBRD-P3710	Closed	1.80	0.00	0.00	1.80
JPN-25236	Closed	0.64	0.62	0.00	0.02
JPN-27108	Closed	0.90	0.90	0.00	0.00





Project Name (ID): Agricultural Competitiveness (P049721)

Country: Kazakhstan

Board Approval Date : 04/28/2005

Midterm Review Date : 10/08/2007

Closing Date : 07/30/2010

Loan/Credit/Grant Number : IBRD-47740, JPN-26444

Sector(s): Agricultural extension and research (50%), Agricultural marketing and trade (18%), Animal production (13%), Crops (12%), Central government administration (7%)

Theme(s): Export development and competitiveness (P), Rural services and infrastructure (P), Rural policies and institutions (S), Rural markets (S), Other rural development (S)

Project Development Objectives:

The main project objective is to increase the competitiveness of the agricultural sector by facilitating access to markets and information and supporting measures to improve the quality and safety of agricultural products, while harmonizing standards.

Progress toward achieving development objective(s):

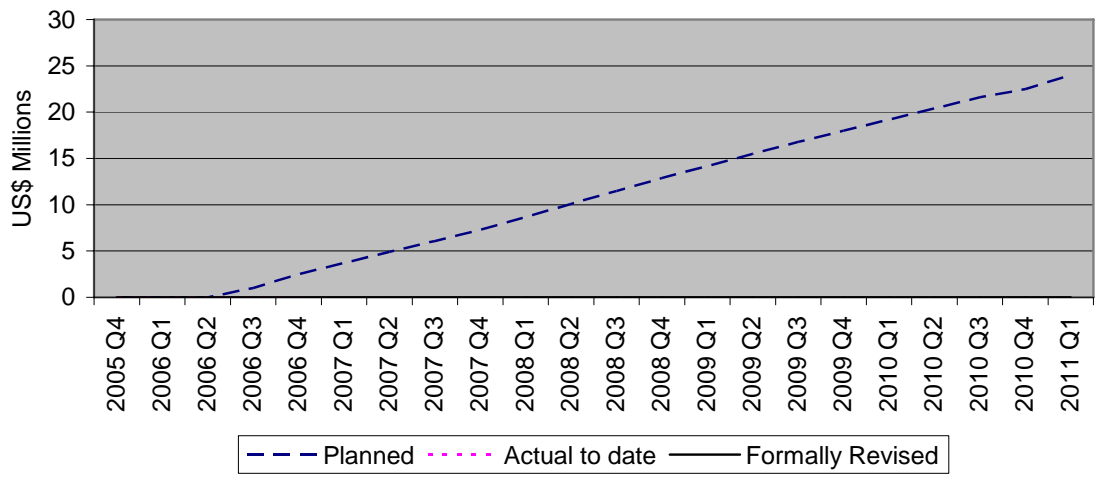
At the middle of August 2006, almost a year after its signature, the project has not been declared effective. This represents an important delay, which is not project specific since it is a systemic problem of most projects in the country. All effectiveness requirements have been complied with the exception of the legal opinion, which is expected soon. Project implementation started utilizing governmental counterpart funding.

The project stated implementation and it is has the potential to achieve the planned development objectives, even though with considerable delays.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47740	Not Effective	24.00	0.00	24.00	0.00
JPN-26444	Closed	0.62	0.62	0.00	0.00





Project Name (ID): Agricultural Post-Privatization Assistance 2 (APL Phase 2) (P058015)

Country: Kazakhstan

Board Approval Date : 12/13/2004

Midterm Review Date : 10/31/2007

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IBRD-47630, JPN-51894

Sector(s): Agro-industry (89%), Micro- and SME finance (11%)

Theme(s): Rural markets (P), Small and medium enterprise support (P)

Project Development Objectives:

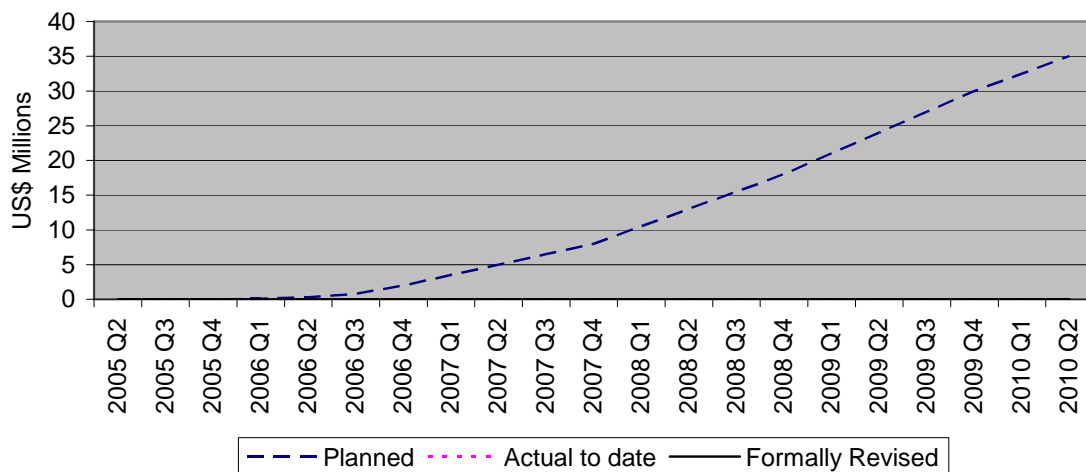
The project will promote rural financial services through (a) expanding rural financial advisory services; (b) improving agricultural risk management; (c) facilitating rural financial product development; and (d) promoting sustainable rural micro-finance.

Progress toward achieving development objective(s):

The project became effectively only recently in February 2006. After a belated start, initiation of project activities is now well underway.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47630	Effective	35.00	0.00	35.00	0.00
JPN-51894	Closed	0.68	0.28	0.00	0.40



Project Name (ID): Nura River Clean-Up (P059803)

Country: Kazakhstan

Board Approval Date : 05/08/2003

Midterm Review Date : 05/15/2006

Closing Date : 09/30/2009

Loan/Credit/Grant Number : IBRD-46930, JPN-25802

Sector(s): Petrochemicals and fertilizers (36%), Irrigation and drainage (30%), General agriculture, fishing and forestry (17%), Solid waste management (16%), Central government administration (1%)

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

Project Development Objectives:

The objective is to improve the welfare of the population in the Nura River Basin by cleaning up serious mercury pollution in and adjacent to the Nura River while restoring flow control for flood management and ecological purposes.

Progress toward achieving development objective(s):

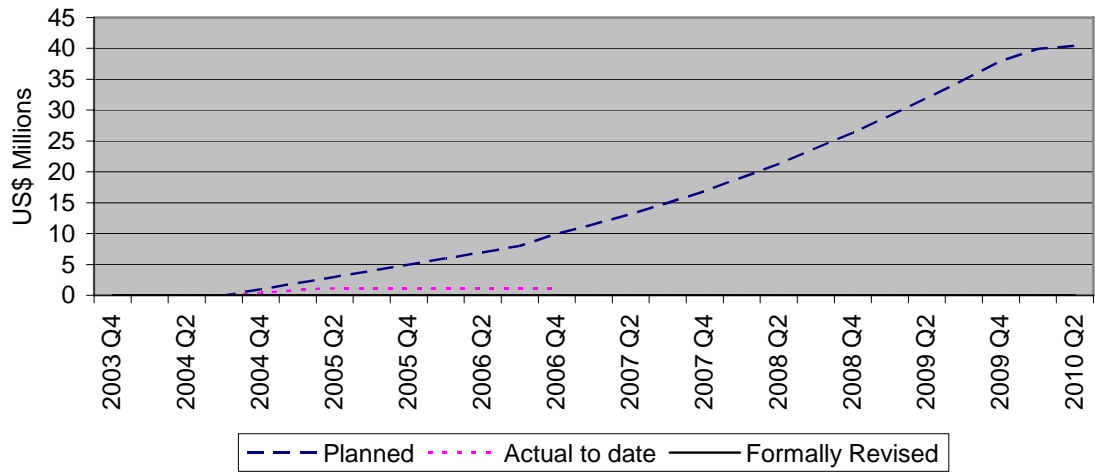
Progress has been good with regard to finalization and approval by Kazakhstan authorities of the detail design for the landfill, clean-up of polluted territories and the Nura River (these were all co-financed). The actual civil works for the clean up are delayed due to re-tendering of the works and are now scheduled to start in May 2007.

The detailed design for restoring flow control, which involves rehabilitation and completion of a small reservoir, is developing as scheduled.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46930	Effective	40.39	1.20	39.19	0.00
JPN-25802	Closed	0.70	0.70	0.00	0.00





Project Name (ID): Electricity Transmission Rehabilitation (P065414)

Country: Kazakhstan

Board Approval Date : 12/21/1999

Midterm Review Date : 10/15/2002

Closing Date : 06/15/2007

Loan/Credit/Grant Number : IBRD-45260

Sector(s): Power (100%)

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

Project Development Objectives:

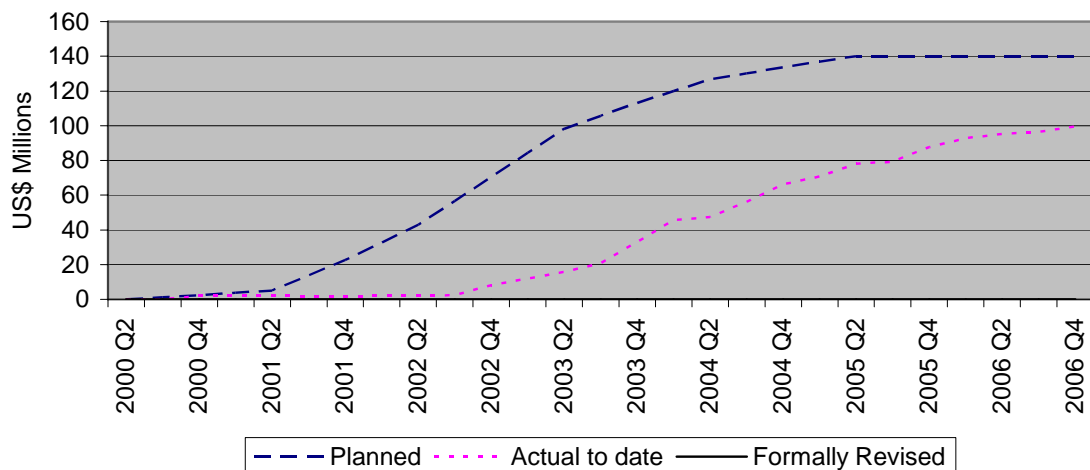
The objectives are to: (a) improve the reliability and quality of electricity supply; (b) develop competition; and, (c) restructure the Kazakhstan Electricity Grid Operating Company (KEGOC) into a financially viable grid company.

Progress toward achieving development objective(s):

The project is on track to achieve all of the development objectives. Sector reforms have been successfully undertaken. KEGOC has been restructured into a core transmission/dispatch company and its financial performance has improved steadily under the project. A modern electricity grid code was adopted, ensuring a level playing field to users of the high voltage transmission grid. An organized spot market was established and works well. An extensive, nationwide physical modernization of the transmission system is bringing Kazakhstan on a par with the best systems in the world.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45260	Effective	140.00	99.55	40.45	0.00



Project Name (ID): Drylands Management GEF (P071525)

Country: Kazakhstan

Board Approval Date : 06/19/2003

Midterm Review Date : 10/15/2006

Closing Date : 03/31/2009

Loan/Credit/Grant Number : WBTF-24116, WBTF-52161

Sector(s): General agriculture, fishing and forestry (50%), Crops (30%), Animal production (20%)

Theme(s): Climate change (P), Land administration and management (P)

Project Development Objectives:

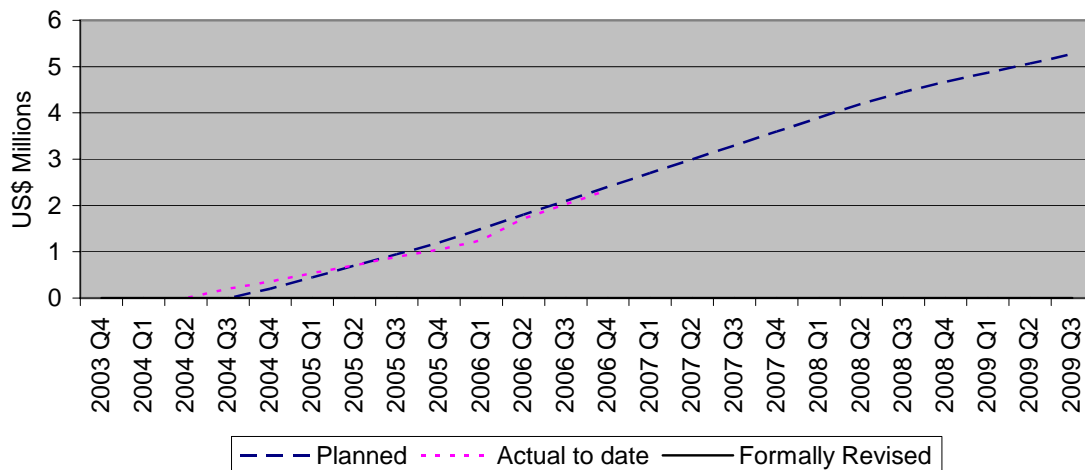
The objective is to demonstrate and promote sustainable land uses in the marginal dry land ecosystem of a pilot area in the Shetsky rayon.

Progress toward achieving development objective(s):

Progress is being made toward the development objective. There has been good progress with re-vegetation of abandoned cereal lands and management of degraded pastures and rangelands. A total of some 12 630 hectares have been treated to date. Livestock farmers are being assisted through the establishment of milk collection centers and a market.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
WBTF-24116	Closed	0.35	0.31	0.00	0.04
WBTF-52161	Effective	5.27	2.33	2.94	0.00



Project Name (ID): Forest Protection and Reforestation (P078301)

Country: Kazakhstan

Board Approval Date : 11/29/2005

Midterm Review Date : 11/30/2009

Closing Date : 11/30/2012

Loan/Credit/Grant Number : IBRD-48080, JPN-51351

Sector(s): Forestry (85%), Central government administration (10%), Animal production (5%)

Theme(s): Other environment and natural resources management (P), Environmental policies and institutions (P), Other rural development (S), Participation and civic engagement (S), Biodiversity (S)

Project Development Objectives:

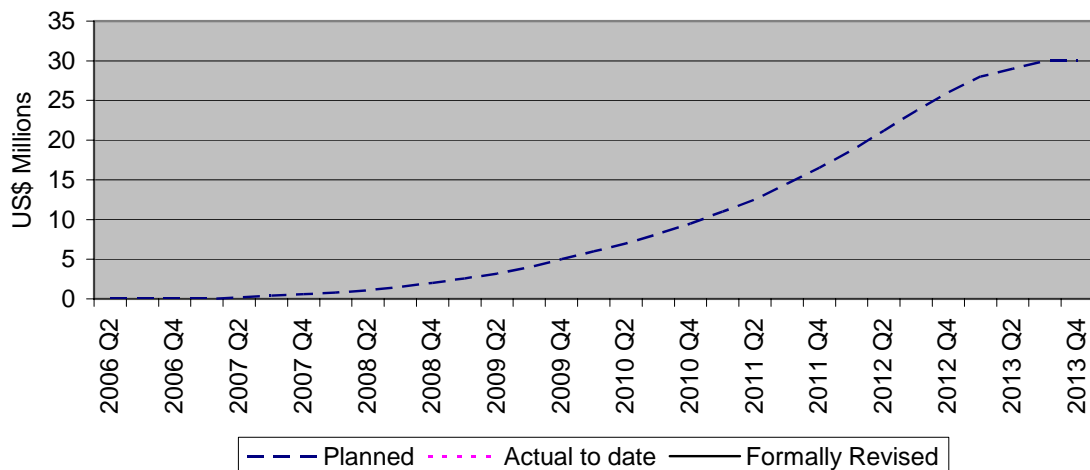
The project objective is to develop environmental and economic services through more sustainable use, increased productivity and enhanced conservation of forest and associated rangeland resources, with a focus on in the northeastern pine forest and southern saxaul woodlands.

Progress toward achieving development objective(s):

The project is not yet effective.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48080	Not Effective	30.00	0.00	30.00	0.00
JPN-51351	Effective	0.41	0.38	0.03	0.00



Project Name (ID): North-South Electricity Transmission (P095155)

Country: Kazakhstan

Board Approval Date : 10/27/2005

Midterm Review Date : 10/30/2007

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IBRD-48050

Sector(s): Power (100%)

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

Project Development Objectives:

The primary development objective is to ensure that business enterprises and households in southern Kazakhstan have access to reliable, cost effective and high quality supply of electricity. The project also aims to promote competition on the electricity market.

Progress toward achieving development objective(s):

Physical implementation is well underway and largely on schedule. Procurement work is at an advanced stage for the project management contract and the turn-key line construction contract.

Regarding policy covenants, the zonal transmission tariffs have already been introduced. Preparations for the balancing market are well underway.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48050	Effective	100.00	0.00	100.00	0.00

