

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

**Operations Policy and Country Services**  
**SEPTEMBER 19, 2006**



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

**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 report<sup>1</sup> 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.

---

<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: Romania**

**Project Name (ID):** Social Sector Development ( P008783 )

**Country:** Romania

**Board Approval Date :** 06/19/2001

**Midterm Review Date :** 04/15/2005

**Closing Date :** 06/30/2007

**Loan/Credit/Grant Number :** IBRD-46160

**Sector(s):** Other social services (60%), Micro- and SME finance (20%), Compulsory pension and unemployment insurance (18%), Central government administration (2%)

**Theme(s):** Improving labor markets (P), Small and medium enterprise support (P), Social risk mitigation (P), Poverty strategy, analysis, and monitoring (S)

**Project Development Objectives:**

The objective is to reduce poverty and enhance economic growth in Romania through: (a) improvements to policy development and monitoring and evaluation; (b) support of a multi-pillar reform; (c) labor market restructuring; and (d) strengthened effectiveness and quality of social assistance.

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

The likelihood of achieving the project development objectives is very high, in spite of the slow disbursement. The decreasing trend in poverty continues, going down to 15.1% in 2005 from 35.9% in 2000, while the extreme poverty is down to 4.6% in 2005 compared with 13.8% in 2000. The steady economic growth (more than 5% of GDP in the last four years, as well as the adequate provision of the social assistance benefits (Minimum Income Guaranteed and Heating Subsidies) to an average of 430,000 beneficiaries (individuals and families) contributed to the poverty reduction. More than 3,500 unemployed from both civilian economy and defense sector were enrolled so far in Labor Redeployment Programs, with positive results registered in the area of unemployment reduction: 5.7% in 2005 compared with 11.2% in 2000, with the caveat that unemployment is still very high in the rural areas and among the Roma.

The implementation of the new public pensions law led to the improvement of its financial sustainability creating good conditions for the implementation of the multi-pillar pensions system.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-46160	Effective	50.00	18.51	31.49	0.00



**Project Name (ID):** Irrigation Rehabilitation and Reform ( P043881 )  
**Country:** Romania  
**Board Approval Date :** 07/31/2003  
**Midterm Review Date :** 05/15/2007  
**Closing Date :** 03/31/2011  
**Loan/Credit/Grant Number :** IBRD-47170, JPN-26526, JPN-29480  
**Sector(s):** Irrigation and drainage (94%), Central government administration (4%),  
 Agricultural extension and research (1%), Vocational training (1%)  
**Theme(s):** Other rural development (P), Water resources management (P), Rural services  
 and infrastructure (S), Environmental policies and institutions (S), Rural policies and  
 institutions (S)

**Project Development Objectives:**

The primary objectives of the project are to: (a) achieve more economic use of irrigation resources through changes in farmers' and the Land Reclamation Agency's behavior, and (b) increase agricultural productivity in project area.

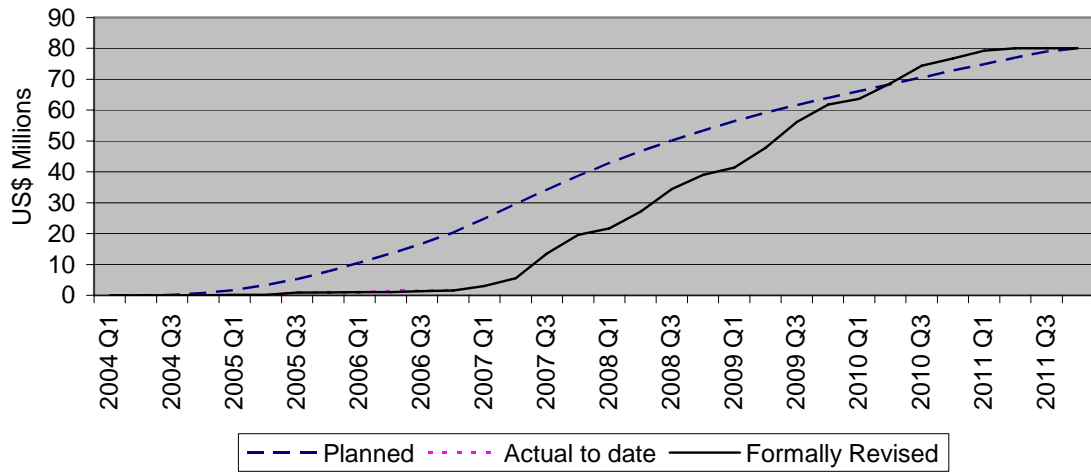
**Progress toward achieving development objective(s):**

After delays, the policy and institutional reform process is back on track, following strengthening and restructuring of the land management structure in the Ministry of Agriculture, Forests and Rural Development, improvement of water users' supervision of the National Administration of Land Reclamation, and decentralization of internal management systems. There have been delays in procurement, and cumbersome project oversight arrangements, but these are being addressed. The budget allocation for irrigation has been increased.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47170	Effective	80.00	1.72	78.28	0.00
JPN-26526	Closed	0.65	0.64	0.00	0.01
JPN-29480	Closed	0.55	0.55	0.00	0.00





**Project Name (ID):** Biodiversity Conservation Management ( P044176 )

**Country:** Romania

**Board Approval Date :** 05/27/1999

**Midterm Review Date :** 10/28/2002

**Closing Date :** 09/30/2006

**Loan/Credit/Grant Number :** WBTF-22499, WBTF-28358

**Sector(s):** Forestry (42%), Central government administration (33%), Other social services (22%), Other domestic and international trade (3%)

**Theme(s):** Biodiversity (P), Environmental policies and institutions (P), Participation and civic engagement (S), Law reform (S)

**Project Development Objectives:**

The global objective of the project is sustainable conservation of the biological diversity and ecological integrity of the Romanian forest, alpine and meadow ecosystems of the Carpathian mountain chain.

The development objective of the project is to establish effective inter-sectoral, participatory planning and sustainable management of natural ecosystems and associated landscapes at three demonstration sites in the Carpathian mountains and mechanisms to support replication of these activities at other priority sites.

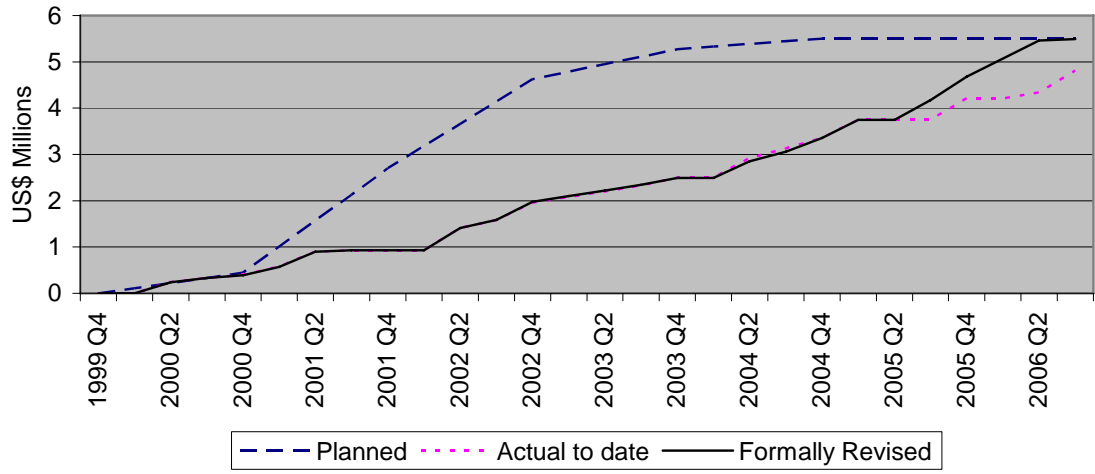
**Progress toward achieving development objective(s):**

Overall, the project has already fully achieved its objectives. However, completion of some of the project's biggest capital investments (large visitor centers and installation of related equipment), has experienced several delays and will have to be finished in the remaining months of the project operations before it's closing in September 2006.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
WBTF-22499	Effective	5.50	4.80	0.70	0.00
WBTF-28358	Closed	0.30	0.30	0.00	0.00





**Project Name (ID):** Mine Closure and Social Mitigation ( P056337 )

**Country:** Romania

**Board Approval Date :** 08/31/1999

**Midterm Review Date :** 10/20/2001

**Closing Date :** 10/31/2006

**Loan/Credit/Grant Number :** IBRD-45090, IBRD-P3650

**Sector(s):** Mining and other extractive (61%), Other social services (16%), Micro- and SME finance (16%), Central government administration (7%)

**Theme(s):** Public expenditure, financial management, and procurement (P), Social risk mitigation (P), Improving labor markets (P), Environmental policies and institutions (S), Regulation and competition policy (S)

**Project Development Objectives:**

The objective is to reduce the burden on the national budget by permanently closing uneconomic mines in a socially and environmentally sustainable manner that supports social mitigation activities and the modernization of the sector's administrative framework.

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

Project closure has been extended an additional four months to allow the completion of activities delayed due to floods. The project is expected to achieve all development objectives.

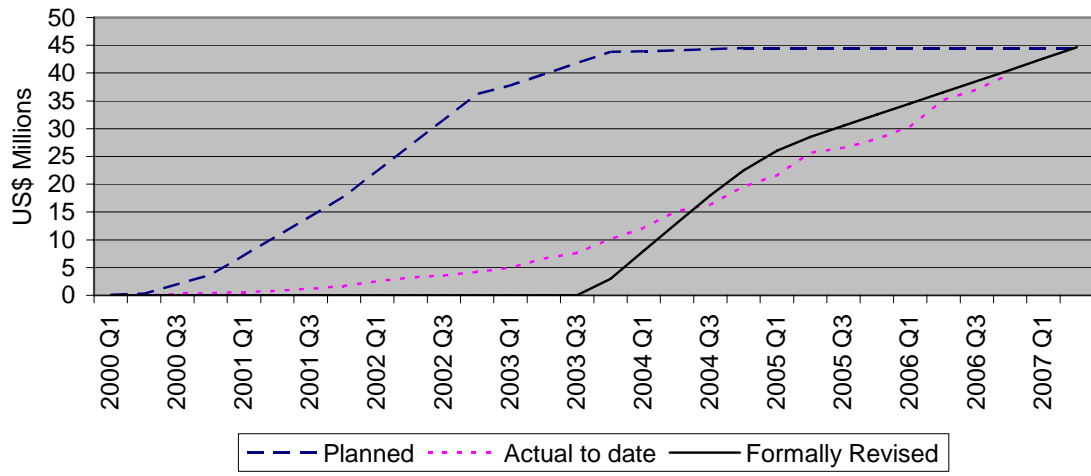
Mines have been closed in an environmentally and socially acceptable manner. The number of mines exceeds the original project target (31 vs. 29). Experience under the Bank-financed mine closures has been transferred to other mine closures financed by the State budget.

Social impacts of mine closure have been mitigated. Job creation and new business start ups have exceeded targets. A variety of institutions working in related areas have been strengthened.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-45090	Effective	44.50	39.78	4.72	0.00
IBRD-P3650	Closed	0.50	0.00	0.00	0.50





**Project Name (ID):** Rural Finance (APL #1) ( P056891 )

**Country:** Romania

**Board Approval Date :** 03/29/2001

**Midterm Review Date :** 11/19/2004

**Closing Date :** 07/31/2007

**Loan/Credit/Grant Number :** IBRD-46020

**Sector(s):** General agriculture, fishing and forestry (75%), Micro- and SME finance (21%), Central government administration (4%)

**Theme(s):** Rural markets (P), Improving labor markets (P), Rural non-farm income generation (S), Infrastructure services for private sector development (S)

**Project Development Objectives:**

The project seeks to promote economic growth and reduce poverty in rural Romania through the provision of financial services.

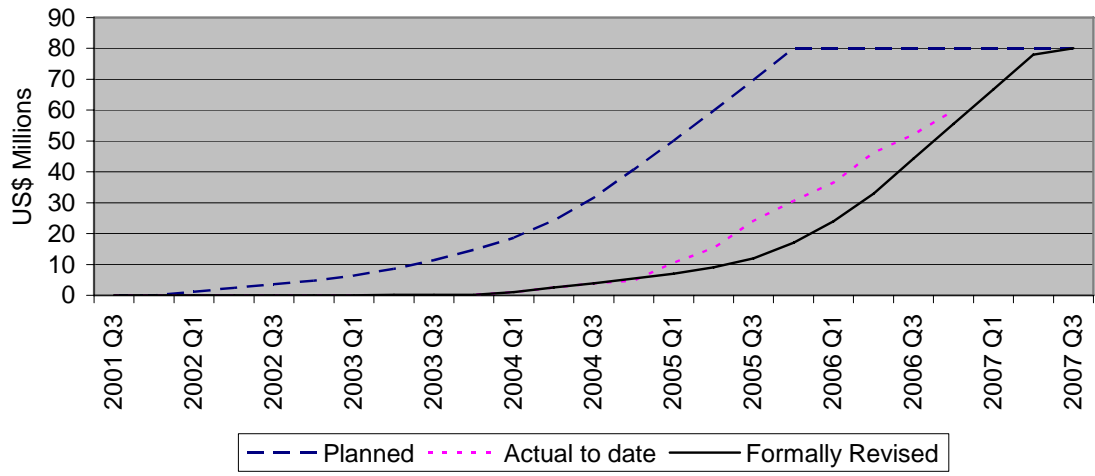
**Progress toward achieving development objective(s):**

The project has established partnerships with a series of commercial banks, leasing companies and microfinance institutions to provide long-term financing and micro-loans for productive investments to private enterprises and individuals in rural areas. More than 120 sub-loans (\$25 million), over 500 leases (\$15 million), and 6,360 micro-loans (\$7.25 million) have been disbursed out of \$75 million committed, and disbursement is increasing steadily. Two private banks are working with project financing on the opening of new branches in rural areas to increase access and the opening and modernization of over 50 branches in rural areas has been financed. The project has also helped the rural economy absorb the grants allocated under the European Union's Special Accession Program for Agriculture and Rural Development (SAPARD) by financing an awareness campaign and making available counterpart funding for the private investments that will be financed by this program (the project co-financed 10 SAPARD sub-projects). The project also has contributed to the development of Romania's warehouse receipts system through the completion of the design of an indemnity/insurance fund which will complement the work undertaken by USAID and the European Bank for Reconstruction and Development (EBRD). The fund was set up by the Ministry of Agriculture earlier this year.

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

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-46020	Effective	80.00	59.87	20.13	0.00





**Project Name (ID):** Rural Development (APL #1) ( P057960 )

**Country:** Romania

**Board Approval Date :** 03/19/2002

**Midterm Review Date :** 05/14/2005

**Closing Date :** 12/31/2006

**Loan/Credit/Grant Number :** IBRD-46540

**Sector(s):** Water supply (25%), Sanitation (25%), Roads and highways (25%), Sub-national government administration (23%), Other social services (2%)

**Theme(s):** Participation and civic engagement (P), Rural services and infrastructure (P), Rural markets (P), Rural non-farm income generation (P)

**Project Development Objectives:**

The project development objective is to strengthen the institutional capacity of local administration, community/user groups and private service providers to: plan, implement, operate and maintain small infrastructure investments in a participatory and accountable manner; and increase the access of rural inhabitants in pilot areas to markets and social services, and improved water and sanitation.

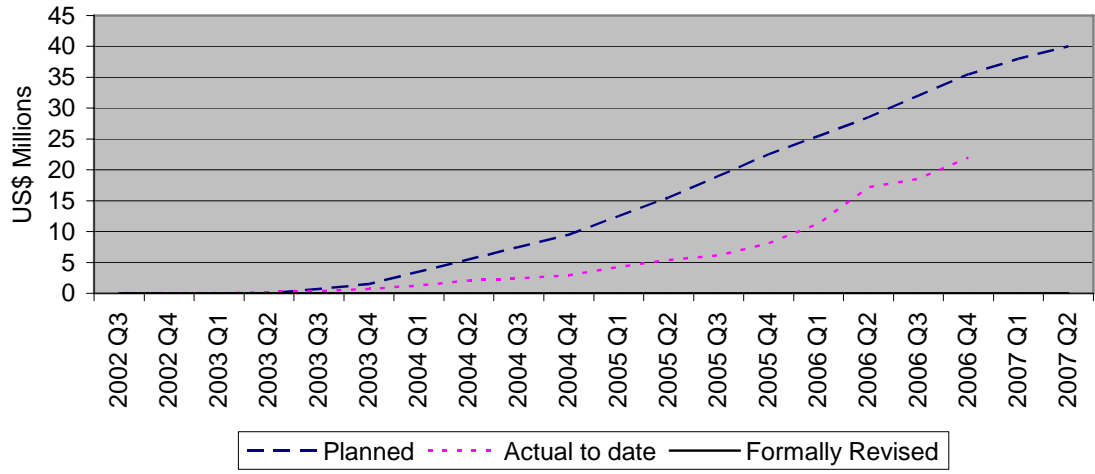
**Progress toward achieving development objective(s):**

The project is on achieving the development objective. Training to local- and county-level beneficiaries has resulted in measurable capacity improvements. Local community monitoring groups are successfully helping to perform watchdog functions for civil works and community contributions. Rural investments are showing clear returns and linkages to markets, new development opportunities and social services. Romania Social Development Fund investments are complete and first cycle investments substantially complete. Second cycle investments will be contracted by August 2006. Some project road investments were affected by floods and extreme weather over the last year leading to a request to extend completion into 2007. Local community contributions requirements (in-kind and in cash) are being met, and a survey of beneficiaries indicates high satisfaction and a changed attitude in terms of trust in local officials and desire to sustain high level of community involvement in future efforts for improving local development.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-46540	Effective	40.00	21.95	18.05	0.00





**Project Name (ID):** Agricultural Pollution Control GEF ( P066065 )

**Country:** Romania

**Board Approval Date :** 12/13/2001

**Midterm Review Date :** 01/17/2005

**Closing Date :** 06/30/2007

**Loan/Credit/Grant Number :** MULT-23482, WBTF-50327

**Sector(s):** Agricultural extension and research (73%), Forestry (9%), General education (8%), Central government administration (5%), Sub-national government administration (5%)

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

**Project Development Objectives:**

The development objective is to increase significantly the use of environment-friendly agricultural practices among farmers' associations, family farms and other eligible farmers in the target project areas.

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

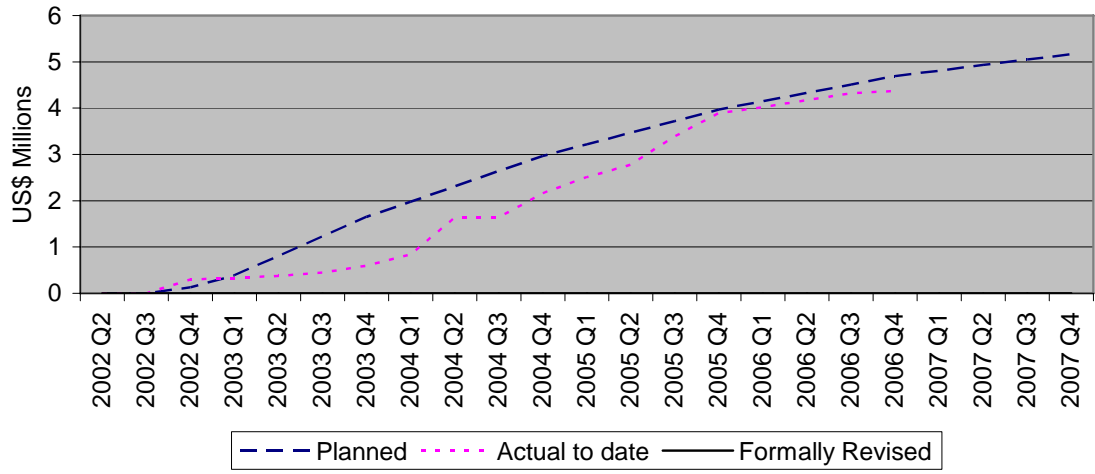
The project is achieving the proposed development objective. The evaluation of the overall project impact is done based on the indicators regarding the adoption of the manure management practices in the project area, the use and the adoption of the environment-friendly practices that are being promoted under the project, and the implementation of the agro-forestry program. The share of households with livestock in the project area using village and household manure storage facilities and segregating waste materials is 36%. The area coming under environment-friendly practices represents 23.90% of the total arable land in the project area. The surface afforested with support from the project is 510.56 ha, representing 81.93% of the erosion-prone locations in the terrace area identified under the project.

All the 15 commune-level manure storage facilities completed under the project (14 financed from GEF funds and 1 from USAID and local funds), are fully operational, each of them using different systems for waste collection/delivery to village-level facility and use of composted materials to ensure the sustainability of platform operation.

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

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-23482	Closed	0.30	0.27	0.00	0.03
WBTF-50327	Effective	5.15	4.36	0.79	0.00





**Project Name (ID):** Forest Development ( P067367 )

**Country:** Romania

**Board Approval Date :** 12/19/2002

**Midterm Review Date :** 04/15/2007

**Closing Date :** 06/30/2009

**Loan/Credit/Grant Number :** IBRD-46830, JPN-26361

**Sector(s):** Forestry (60%), Central government administration (25%), Agricultural extension and research (10%), Agro-industry (3%), Other social services (2%)

**Theme(s):** Environmental policies and institutions (P), Other environment and natural resources management (P), Other rural development (S), Law reform (S), Rural services and infrastructure (S)

**Project Development Objectives:**

The objective of the project is to maintain and improve environmentally sustainable management of state and private forests so as to increase the contribution of Romanian forest resources to national and rural economies.

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

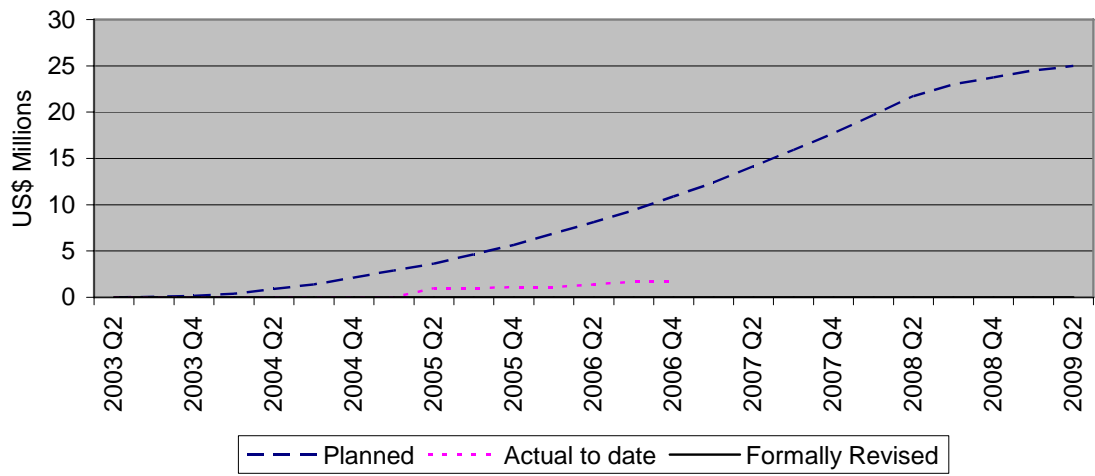
A recent government decision to reinstitute a large area of state forests to former owners, reducing land managed by the National Forest Administration (NFA) by 2 million hectares, poses challenges and opportunities. Some project funds may be reallocated to assist with management of new private forests. A NFA strategic plan is under preparation to assess the structural and budgetary response to these reforms.

The "Best Practice Guidelines for Forest Roads Construction and Rehabilitation" has been completed after extensive consultations, and engineering studies have been completed for the first tranche of forest roads. A human resources development plan for the Forest Department is complete, and a procurement package for a forest management information system has been finalized.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-46830	Effective	25.00	1.79	23.21	0.00
JPN-26361	Closed	0.42	0.42	0.00	0.00





**Project Name (ID):** Energy Efficiency GEF ( P068062 )  
**Country:** Romania  
**Board Approval Date :** 09/19/2002  
**Midterm Review Date :** 02/21/2006  
**Closing Date :** 12/31/2007  
**Loan/Credit/Grant Number :** MULT-50705  
**Sector(s):** General industry and trade (90%), General finance (10%)  
**Theme(s):** Climate change (P), Pollution management and environmental health (P),  
 Other financial and private sector development (P), Technology diffusion (S)

**Project Development Objectives:**

The development objective of the GEF project is to enable companies in the industrial sector and other energy consumers to adopt and utilize energy-efficient technologies, financed under commercial criteria by the Romanian Energy Efficiency Fund and co-financiers.

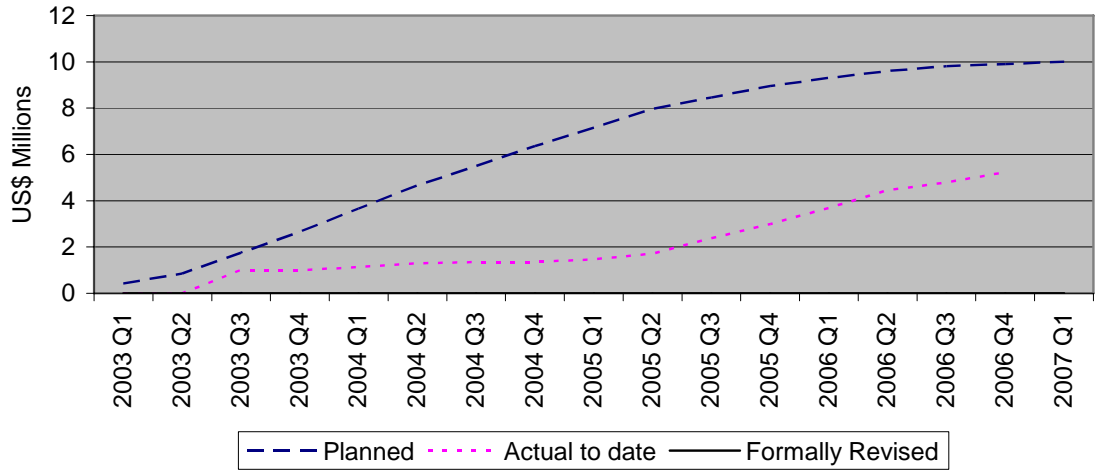
**Progress toward achieving development objective(s):**

The mid-term review in February 2006 streamlined the Romanian Energy Efficiency Fund's (FREE) operations and expenditures to align with its income and to improve the prospects of its reaching self-financing targets for end-2006 and 2007. Local expertise for fund management has been procured. FREE will explore developing strategic partnerships with one or two banks to share its technical expertise and help promote energy efficiency lending by the banks. Romania has made substantial progress in reducing its energy intensity from 0.835 Toe/\$1000 in 2000 to 0.533 Toe/\$1000 by 2005. Romania has made energy efficiency an important objective as part of its European Union Accession Strategy and implemented several measures in the energy sector, notably pricing adjustments.

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

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
MULT-50705	Effective	10.00	5.22	4.78	0.00





**Project Name (ID):** Social Development Fund 2 (APL #2) (SDF2) ( P068808 )

**Country:** Romania

**Board Approval Date :** 12/20/2001

**Midterm Review Date :** 04/08/2004

**Closing Date :** 08/31/2006

**Loan/Credit/Grant Number :** IBRD-46450

**Sector(s):** Other social services (29%), Roads and highways (25%), Water supply (25%), Agro-industry (21%)

**Theme(s):** Participation and civic engagement (P), Improving labor markets (P), Rural services and infrastructure (P), Small and medium enterprise support (S)

**Project Development Objectives:**

The objectives are: (a) to improve the livelihood of project beneficiaries in poor rural communities and from disadvantaged groups; and (b) to promote social capital enhancement and civic engagement among beneficiaries.

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

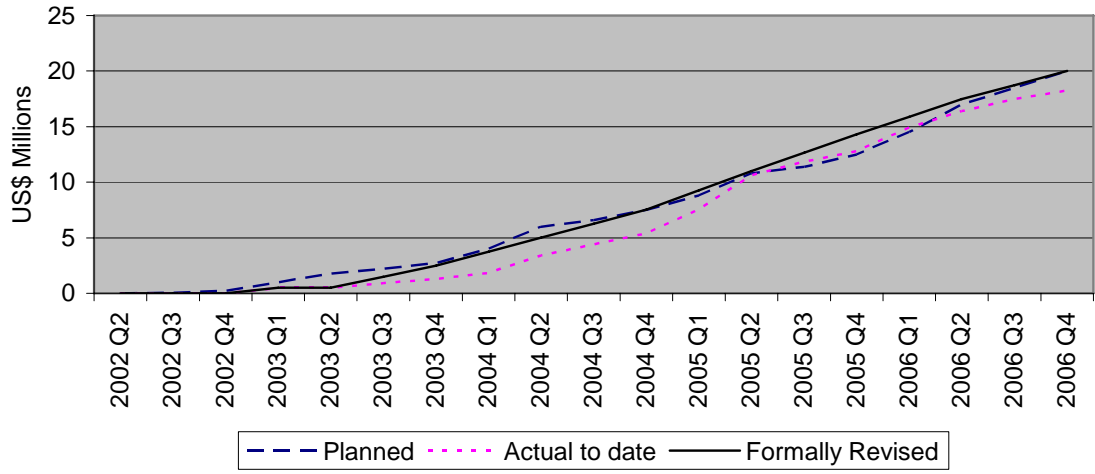
The development objectives of the project were attained. The level of satisfaction among project beneficiaries is 83.6%, higher than the target value of 80%. Seven hundred ninety km of rural roads were rehabilitated; 15,570 persons now have access to safe water supply; 22,800 persons are benefiting from new income generating activities, and 11,171 from social services.

Although performance indicators have been attained, 15 sub-projects could not be finalized by the project closing date due to force majeure causes (floods and land slide). Following a request from the Ministry of Public Finance, the closing date was extended with six months, to allow the poor rural communities that suffered from natural disasters to finalize their sub-projects.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-46450	Effective	20.00	18.27	1.73	0.00





**Project Name (ID):** Private and Public Sector Institution Building Loan (PIPBL) ( P069679 )

**Country:** Romania

**Board Approval Date :** 09/12/2002

**Midterm Review Date :** 10/24/2005

**Closing Date :** 06/30/2007

**Loan/Credit/Grant Number :** IBRD-46760, NETH-50477

**Sector(s):** Central government administration (40%), Banking (30%), Power (20%), Sub-national government administration (10%)

**Theme(s):** Corporate governance (P), Regulation and competition policy (P), Infrastructure services for private sector development (P), State enterprise/bank restructuring and privatization (P), Legal institutions for a market economy (S)

**Project Development Objectives:**

The objective of project is to provide the required technical assistance to implement policy measures supported by the Second Private Sector Adjustment Loan, and to prepare the reforms supported by the Programmatic Adjustment Loan.

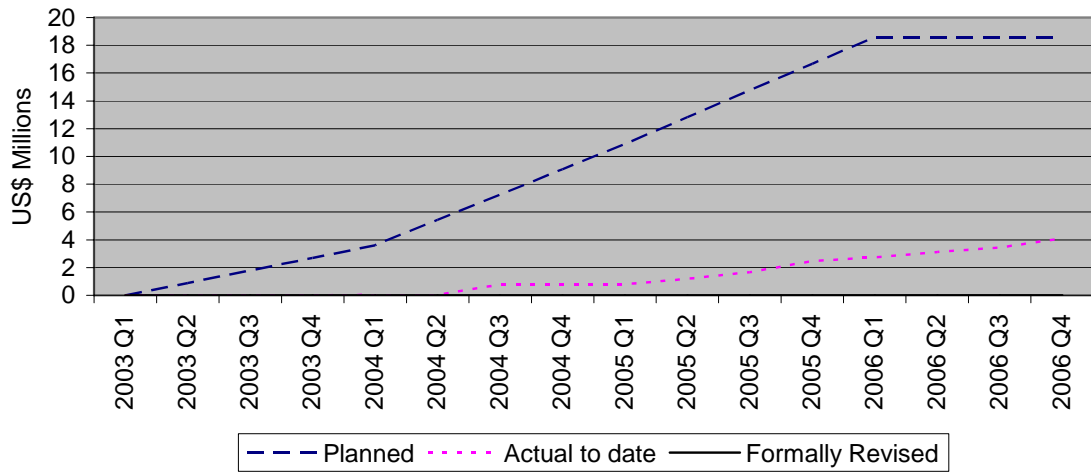
**Progress toward achieving development objective(s):**

The project scope has been expanded to include reforms in the areas of civil service, judicial, public expenditure, health, and infrastructure sectors. Project activities have gained new momentum, following the closure of the Private Sector Institution Building Loan. A number of studies and legislation reviews have been completed. These will contribute to the successful implementation of institutional and governance reforms that, among others, include the decentralization of education financing, a court rationalization study, a Labor Code review, and a review of legislation on trading companies in the field of corporate governance. The Government of Romania has made an official request to extend the closing date of the loan. The World Bank is currently reviewing this request.

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

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-46760	Effective	18.60	4.11	14.49	0.00
NETH-50477	Closed	3.17	3.17	0.00	0.00





**Project Name (ID):** Rural Education ( P073967 )

**Country:** Romania

**Board Approval Date :** 05/06/2003

**Midterm Review Date :** 09/15/2006

**Closing Date :** 09/15/2009

**Loan/Credit/Grant Number :** IBRD-46910, JPN-26809

**Sector(s):** Primary education (45%), Secondary education (40%), General public administration (15%)

**Theme(s):** Rural services and infrastructure (P), Education for all (P), Education for the knowledge economy (S), Participation and civic engagement (S)

**Project Development Objectives:**

The objective is to have rural schools students benefit from improved access to quality education, as evidenced by higher achievement scores and completion and transition rates.

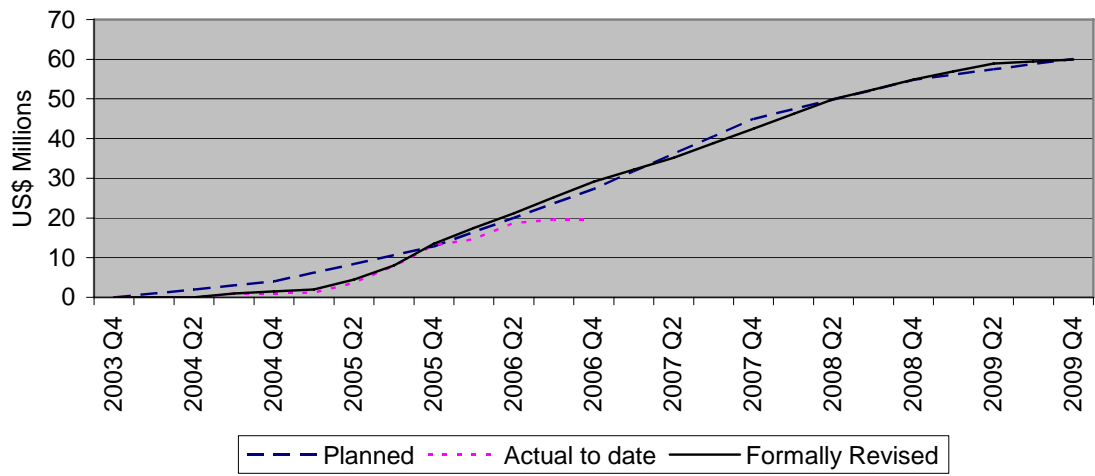
**Progress toward achieving development objective(s):**

Good progress was made towards achieving outputs and outcomes: 6,563 teachers from rural schools completed the school based professional development program; 3,127 teachers are enrolled in the distance education program to upgrade their knowledge and skills; 83% teachers passed all exams after the first year; 463 fixed-resource centers were equipped and set up in coordinating schools; designs were prepared for toilet facilities, heating systems and lightening facilities for 430 schools and 1,467 schools received furniture; teaching materials (2,180,000 posters; 130,000 wall maps; 7800 globes) and books (1,100,000) were distributed following orders received from schools. Schools and communities have implemented 71 sub-projects, and 690 sub-projects are under implementation. The national education indicators system and the national education database were developed. The project is expected to fully achieve its development objectives by the closing date.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-46910	Effective	60.00	19.60	40.40	0.00
JPN-26809	Closed	0.46	0.40	0.00	0.06





**Project Name (ID):** Hazard Risk Mitigation and Emergency Preparedness ( P075163 )

**Country:** Romania

**Board Approval Date :** 05/20/2004

**Midterm Review Date :** 03/31/2007

**Closing Date :** 12/31/2009

**Loan/Credit/Grant Number :** IBRD-47360

**Sector(s):** Flood protection (50%), Sub-national government administration (25%), Central government administration (20%), Mining and other extractive (5%)

**Theme(s):** Natural disaster management (P), Water resources management (P), Pollution management and environmental health (S), Other urban development (S), Rural services and infrastructure (S)

### Project Development Objectives:

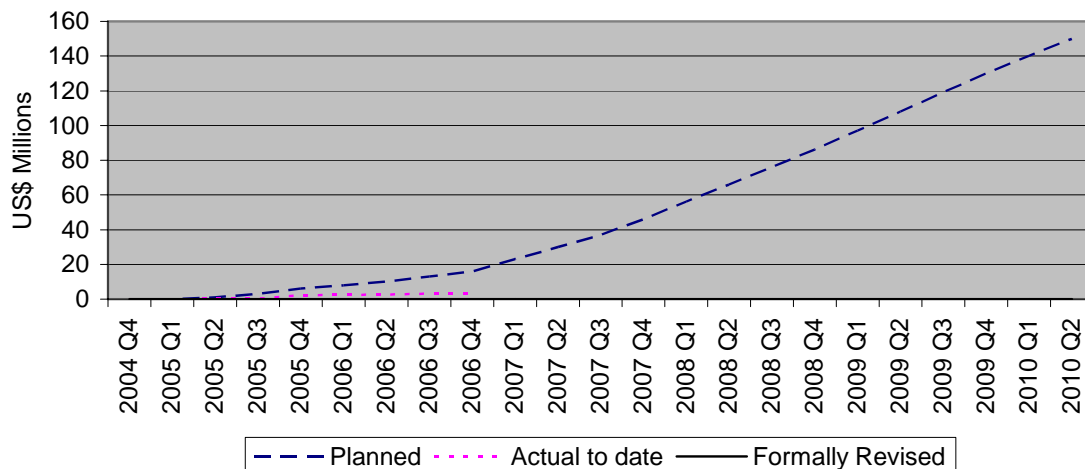
The overall objective of the project is to contribute to reduction of the environmental, social, and economic vulnerability to natural disasters and catastrophic mining accidental spills of pollutants.

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

Project implementation is slow. Contracting of works is the main challenge; there needs to be more delegation. Feasibility studies for the strengthening of emergency communications systems need to be endorsed by the National Committee, and further work is necessary on the draft insurance law. There is progress on procurement of retrofitting of key public buildings, and 11 contracts for flood and landslide risk reduction are expected to be awarded this calendar year. There are also delays in the mining risk reduction component.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47360	Effective	150.00	3.51	146.49	0.00



**Project Name (ID):** Health Sector Reform 2 (APL #2) ( P078971 )

**Country:** Romania

**Board Approval Date :** 12/16/2004

**Midterm Review Date :** 06/30/2007

**Closing Date :** 12/31/2009

**Loan/Credit/Grant Number :** IBRD-47600, JPN-52423

**Sector(s):** Health (96%), Central government administration (3%), Sub-national government administration (1%)

**Theme(s):** Health system performance (P), Population and reproductive health (P), Child Health (P), Rural services and infrastructure (S)

### Project Development Objectives:

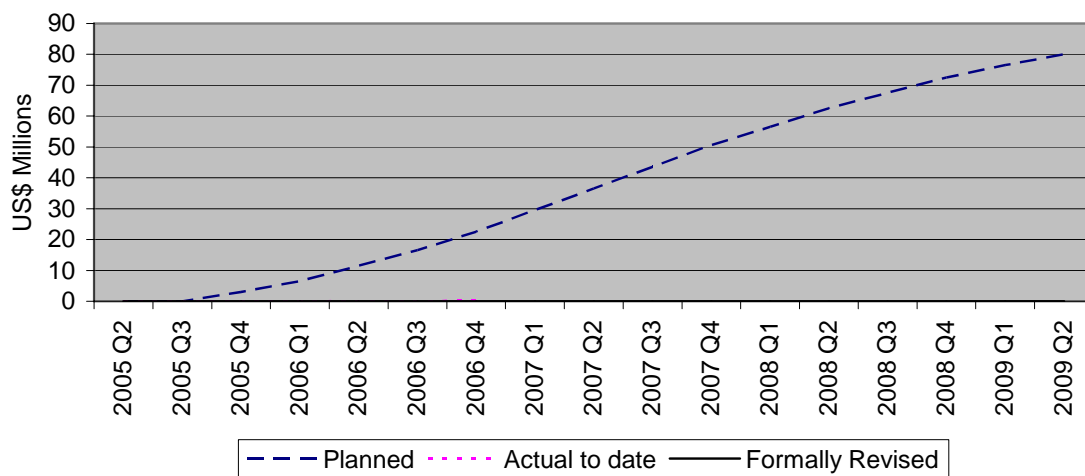
The objective is to provide more accessible services, of increased quality and with improved health outcomes for those requiring maternity and newborn care, emergency medical care and rural primary health care.

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

Based on the progress to date, the project is not on target to meet its development objectives. Pending policy actions with respect to the size and make-up of the hospital network, the emergency systems communication platform, and approach towards rural primary health care have delayed progress in each of the three main project components. There is still sufficient time, however, for achieving the project development objectives if these key policy decisions are reached in the near future.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47600	Effective	81.80	0.15	81.65	0.00
JPN-52423	Closed	0.52	0.51	0.00	0.01



**Project Name (ID):** Electricity Market ( P081406 )

**Country:** Romania

**Board Approval Date :** 06/12/2003

**Midterm Review Date :** 02/28/2005

**Closing Date :** 06/30/2008

**Loan/Credit/Grant Number :** IBRD-71810

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

**Theme(s):** Regulation and competition policy (P), Regional integration (P)

**Project Development Objectives:**

The objective is to develop a well-functioning wholesale electricity market operating in a transparent and predictable commercial and regulatory framework, and features: a) power exchange which facilitates electricity trading; and b) a reliable transmission system which supplies electricity at least cost to consumers.

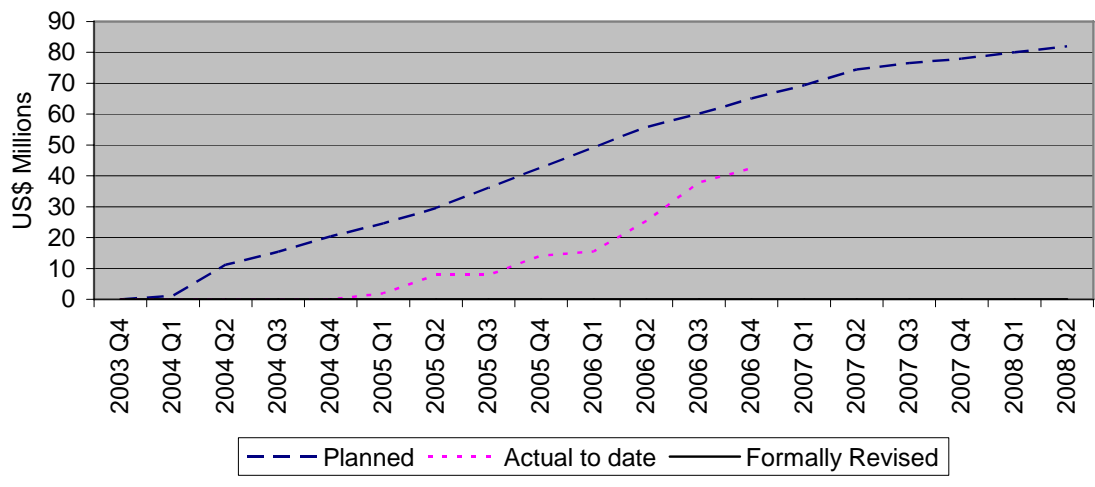
**Progress toward achieving development objective(s):**

The project is making progress towards achieving its development objective. The Electricity Market Power Exchange is operational within OPCOM (Romanian Electricity Market Operator) starting with July 2005. A multi-year price-cap regulation for distribution and revenue-cap regulation for the transmission company was introduced in December 2004. The rehabilitation of substations has advanced and is strongly expected to be completed by December 2006. Two new components will be added to the project and will be financed from the loan's savings as per Romania's request: the establishment of the OPCOM regional trade platform and the upgrading to 400kv from 220kv of the Gutinas-Suceava transmission line. The two new components will be completed before the loan's closing date.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-71810	Effective	93.36	42.49	49.61	0.00





**Project Name (ID):** Transport Restructuring ( P083620 )

**Country:** Romania

**Board Approval Date :** 11/16/2004

**Midterm Review Date :** 09/17/2007

**Closing Date :** 07/31/2009

**Loan/Credit/Grant Number :** IBRD-47570

**Sector(s):** Roads and highways (67%), Railways (33%)

**Theme(s):** Trade facilitation and market access (P), Other urban development (S), State enterprise/bank restructuring and privatization (S), Non-communicable diseases and injury (S), Pollution management and environmental health (S)

**Project Development Objectives:**

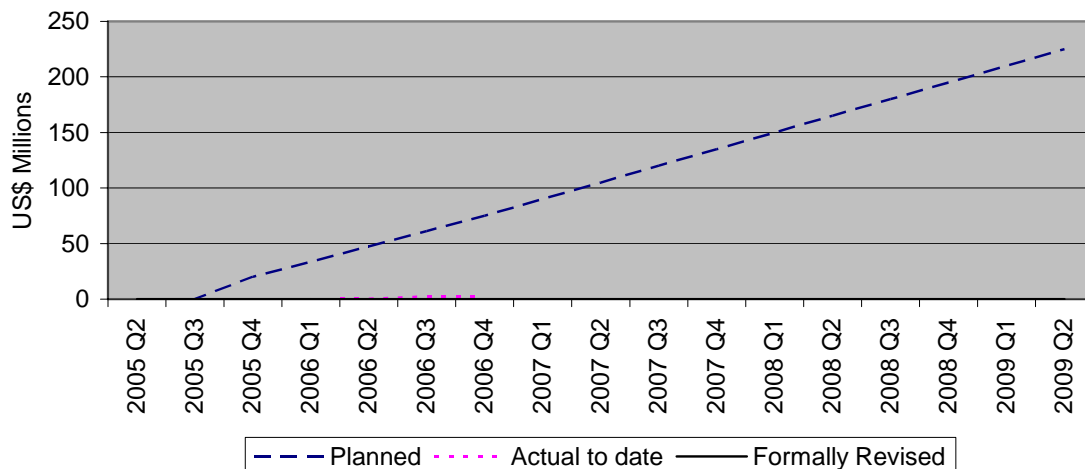
The project aims to improve the efficiency of the railways and road sectors, and thereby reduce the overall costs of transportation.

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

Progress in the first year of implementation has been slow. There have been delays in the procurement of technical assistance services for both the railways and the roads components. Procurement is now under way for repairs of bridges damaged by floods and for technical assistance services.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47570	Effective	225.00	2.43	222.57	0.00



**Project Name (ID):** Energy Community of South East Europe (ECSEE APL #1) ( P086694 )

**Country:** Romania

**Board Approval Date :** 01/27/2005

**Midterm Review Date :** 03/30/2007

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

**Loan/Credit/Grant Number :** IBRD-72720

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

**Theme(s):** Regional integration (P), Regulation and competition policy (P), State enterprise/bank restructuring and privatization (S)

**Project Development Objectives:**

The objective of the Energy Community of South East Europe (ECSEE) Adaptable Lending Program is the development of a functioning regional electricity market in South East Europe and its integration into the internal electricity market of the European Union through the implementation of priority investments supporting electric market and power systems operations in electric generation, transmission, and distribution, and technical assistance for intuitional/systems development and project preparation and implementation. This project would establish the ECSEE facility and provide investment support and technical assistance to Hidroelectrica in Romania.

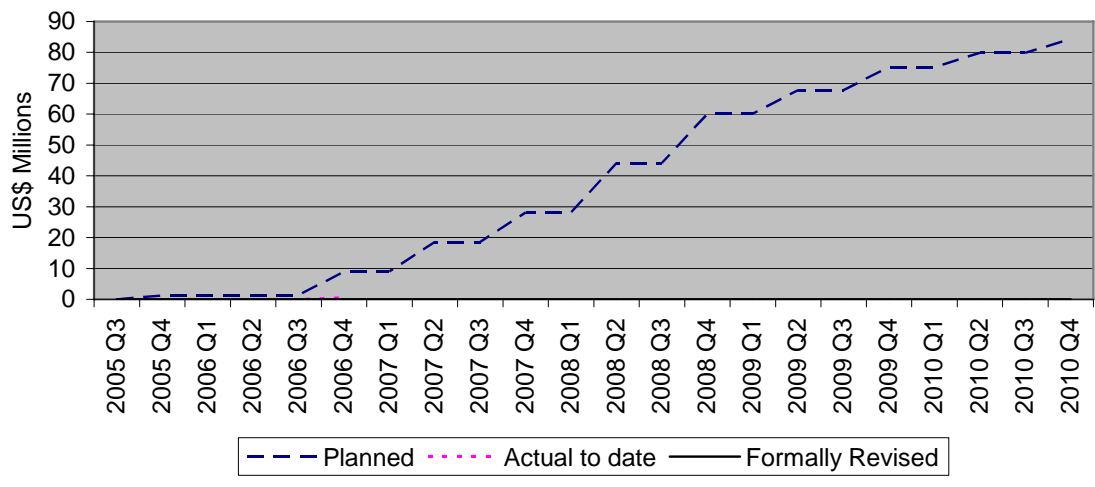
**Progress toward achieving development objective(s):**

Romania has signed the Treaty establishing the Energy Community and continues to make progress in implementing its treaty commitments, ahead of current deadlines. The Romanian electricity market is fully functional, including the Romanian Electricity Market Operator (OPCOM) Power Exchange (a day-ahead market launched in July 2005 and a centralized auction of bilateral contracts launched in December 2005) and a balancing mechanism operated by Transelectrica launched in July 2005. The implementation of the Lotru investment project started slowly but Hidroelectrica has now completed the technical evaluation and is about to invite price bids, and successful rehabilitation of Lotru is anticipated.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-72720	Effective	82.93	0.64	82.30	0.00





**Project Name (ID):** Modernizing Agricultural Knowledge and Information Systems (MAKIS) ( P086949 )

**Country:** Romania

**Board Approval Date :** 11/16/2004

**Midterm Review Date :** 11/15/2007

**Closing Date :** 09/30/2010

**Loan/Credit/Grant Number :** IBRD-47580

**Sector(s):** Agricultural extension and research (75%), Central government administration (25%)

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

**Project Development Objectives:**

The objective is to improve the competitiveness of farmers and agro-processors while helping them meet European Union standards.

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

The project was approved by the Board in November 2004 and became effective in June 2005. Due to delays in establishing the new project management unit, and the new government's need for some time to understand and take ownership of the Project, the actual activities and operation of the project started only in January 2006.

The best performing component is the Strengthening of the National Sanitary Veterinary and Food Safety Authority and Phyto-Sanitary Units, where visible achievements include starting the construction works for the 3 Border Inspection Points, equipping 2 regional laboratories in Bucharest and Brasov, and institutional capacity strengthening through providing IT advice and support, and communications and public awareness support. Several other activities are on-going, which will further facilitate a sustained rhythm of implementation. Linkage and complementarities are being ensured with the proposed Avian Influenza project. These activities are aimed at strengthening the capacity of ANSVSA and Phyto-sanitary units to provide the necessary control and verification of fresh and processed products to enable farmers, agro-industry and food-processors to supply local and international markets.

The research component is ready to go, due to recent reforms and legislative changes undertaken by the Ministry of Agriculture, Forests and Rural Development, which, among others, gave the statue of "national institute" to the 5 research institutes included in the project, and allowed for core budget funding for research. Also, the very detailed reform plans for the 5 institutes have been agreed in principle, and based on these, funding for actual implementation of the reforms will start this year. The project interventions under this component are aimed at strengthening the capacity of the research system to provide agricultural knowledge, skills and information to farmers and

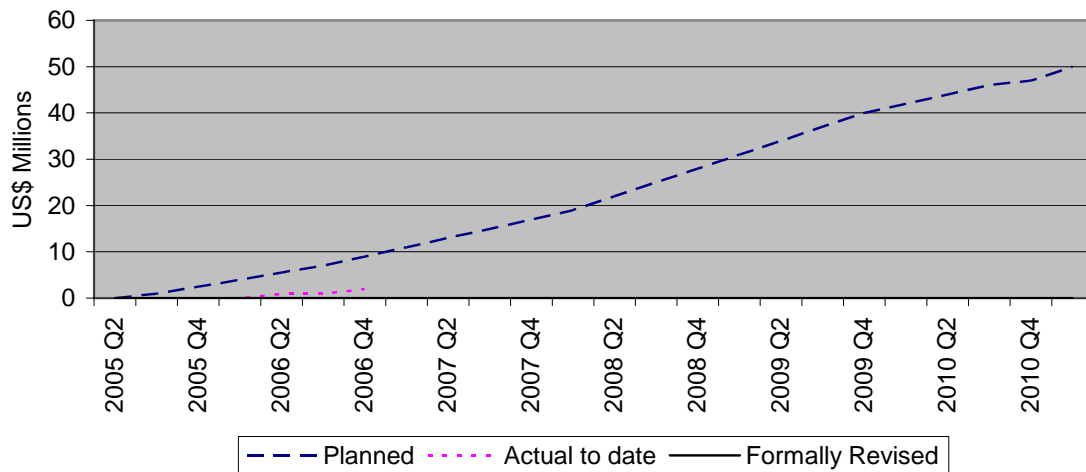


agro-processors based on the needs of the agro-food sub-sector and in line with the EU requirements.

The slower performer is the extension component, due to intentions of the ministry and the National Agency for Agricultural Consulting to fundamentally revise the agency's strategy and to reorganize it along the lines of French/Austrian agricultural chambers. The Strategy is estimated to be completed by October 2006. The objective is to increase access of farmers and processors to knowledge on technologies related to production, quality control, food safety, processing and marketing in order to meet the EU requirements.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47580	Effective	52.02	1.94	50.03	0.00



**Project Name (ID):** Mine Closure, Environment and Socio-Economic Regeneration ( P087807 )

**Country:** Romania

**Board Approval Date :** 12/16/2004

**Midterm Review Date :** 09/30/2007

**Closing Date :** 05/31/2010

**Loan/Credit/Grant Number :** IBRD-47590

**Sector(s):** Other social services (49%), Mining and other extractive (48%), Central government administration (3%)

**Theme(s):** Pollution management and environmental health (P), Social safety nets (P), Improving labor markets (P), Social analysis and monitoring (S), Gender (S)

**Project Development Objectives:**

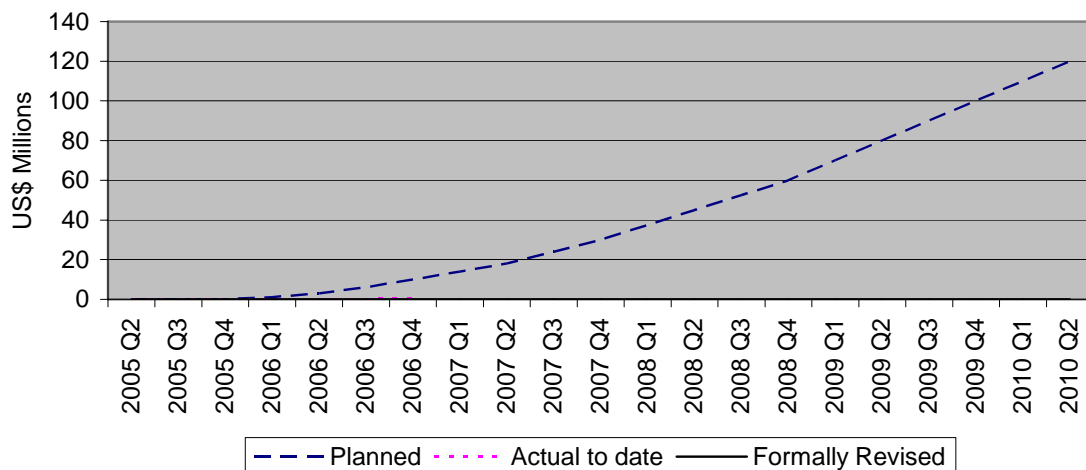
The objective is to strengthen the government's ability to undertake mining sector reform by (a) building the Ministry of Economy and Commerce's capacity for closing uneconomic mining enterprises through support for closing complex mines and ancillary enterprises in an environmentally sustainable manner; and (b) providing support to the National Agency for Development and Implementation of Reconstruction Programs for the Mining Regions (AZM), local communities and other agencies for community-based planning and socio-economic regeneration of the mining regions.

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

Due to implementation constraints at the upper ministry level, project activities had been delayed, precluding a report on project achievements to date.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47590	Effective	120.00	0.55	119.45	0.00



**Project Name (ID):** Knowledge Economy ( P088165 )

**Country:** Romania

**Board Approval Date :** 11/29/2005

**Closing Date :** 06/30/2011

**Loan/Credit/Grant Number :** IBRD-48090, IBRD-P4090

**Sector(s):** General public administration (32%), General industry and trade (22%), Primary education (21%), Tertiary education (21%), Other social services (4%)

**Theme(s):** Education for the knowledge economy (P), Administrative and civil service reform (P), Small and medium enterprise support (P), Infrastructure services for private sector development (S)

**Project Development Objectives:**

The objective of the project is to accelerate the participation of knowledge-disadvantaged communities in the knowledge-based society and economy in Romania. To this end, the project will enable the Borrower to implement the National Strategy for the New Economy and Implementation of the Information Society, and the European Union programs related to the information society for all.

Specifically, in targeted disadvantaged communities, Local Community e-Networks (LCeNs) would evolve into a daily tool for education, business and public communications with the government, with increasing private management and financial self-sustainability.

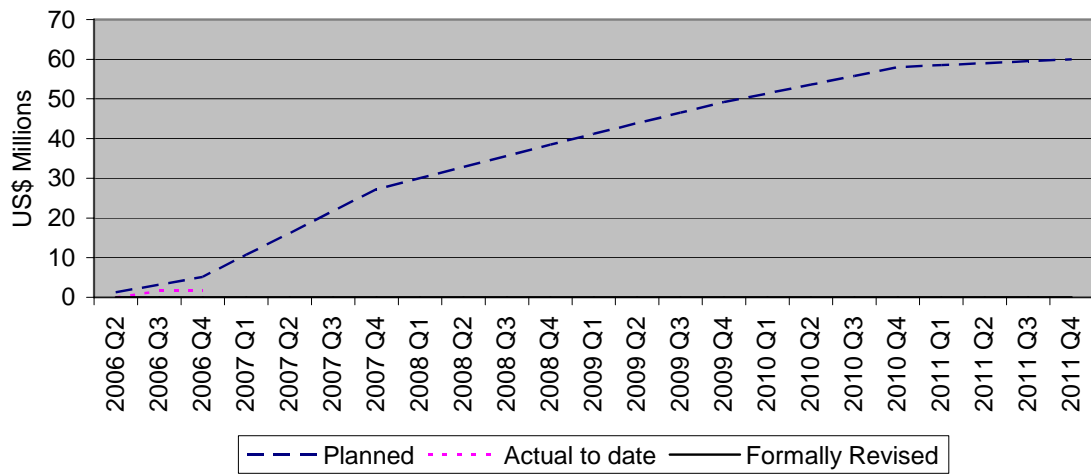
**Progress toward achieving development objective(s):**

The project is on track to achieve the development objective. The first pilot Local Community Electronic Networks (LCeN) have been implemented in nine knowledge-disadvantaged communities providing a basic mix of information communication technology (ICT) services: telephony, fax, computers attached to the Internet, and photocopying. In the nine communities where LCeNs have been established, basic training programs have been provided for ICT usage and for internet promotion to about 180 individuals: teachers, civil servants in the local administration, librarians, entrepreneurs. In the pilot communities, 18 schools have been connected, and initial activities were focused primarily on providing basic ICT training to more than 50 teachers. The challenge ahead is to move from the pilot stage to a scaled-up establishment of LCeNs in some 200 knowledge disadvantaged communities.

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

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-48090	Effective	60.00	1.62	58.38	0.00
IBRD-P4090	Closed	2.00	0.00	0.00	2.00





**Project Name (ID):** Judicial Reform ( P090309 )

**Country:** Romania

**Board Approval Date :** 12/15/2005

**Midterm Review Date :** 04/01/2009

**Closing Date :** 04/01/2011

**Loan/Credit/Grant Number :** IBRD-48110

**Sector(s):** Law and justice (100%)

**Theme(s):** Judicial and other dispute resolution mechanisms (P), Other rule of law (S)

**Project Development Objectives:**

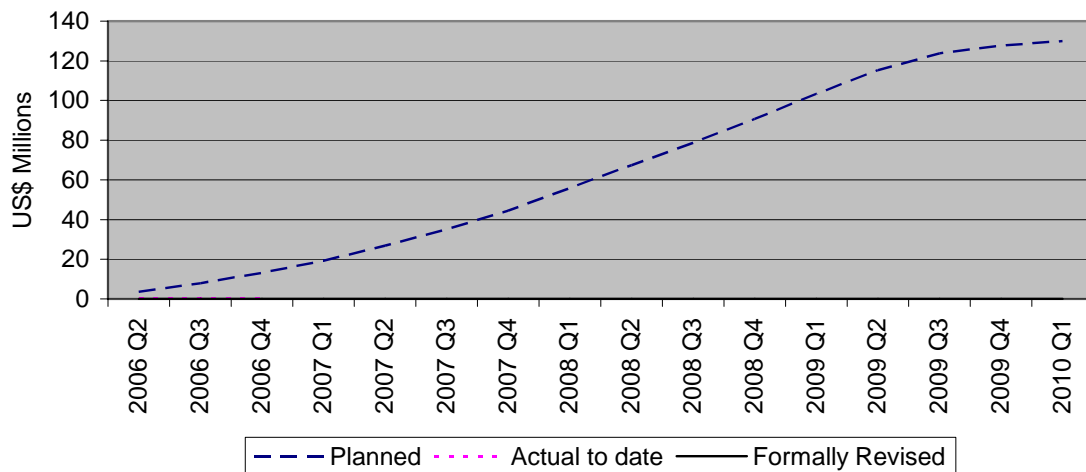
The project's development objectives are: (a) to increase efficiency of the Romanian courts and (b) to improve the accountability of the judiciary which should result in reduced corruption and a more transparent act of justice.

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

The project became effective May 26, 2006, and initial procurement actions are now starting. It is, therefore, too soon to report on results.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48110	Effective	138.22	0.00	138.22	0.00



**Project Name (ID):** SOCIAL INCLUSION ( P093096 )

**Country:** Romania

**Board Approval Date :** 06/13/2006

**Closing Date :** 03/01/2011

**Loan/Credit/Grant Number :** IBRD-48250

**Sector(s):** Other social services (68%), Central government administration (22%), Pre-primary education (10%)

**Theme(s):** Vulnerability assessment and monitoring (P), Other social protection and risk management (P), Education for all (S), Participation and civic engagement (S), Access to urban services and housing (S)

**Project Development Objectives:**

The project's development objective is to improve the living conditions and the social inclusion of the most disadvantaged/vulnerable people in the Romanian society by: (a) improving the living conditions and social inclusion of Roma living in poor settlements; (b) increasing the inclusiveness of early childhood education services in targeted areas; and (c) improving the quality of services for persons with disabilities, youth at risk, and victims of domestic violence.

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

Board approval was on June 13, 2006 and that the project is not yet effective.

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

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-48250	Not Effective	59.31	0.00	59.31	0.00

