

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

Operations Policy and Country Services
SEPTEMBER 19, 2006



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

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: Ukraine

Project Name (ID): Rural Land Titling and Cadastre Development (P035777)

Country: Ukraine

Board Approval Date : 06/24/2003

Midterm Review Date : 11/01/2007

Closing Date : 06/30/2012

Loan/Credit/Grant Number : IBRD-47090, IBRD-P3940, JPN-29537

Sector(s): General agriculture, fishing and forestry (85%), Agricultural extension and research (10%), Central government administration (5%)

Theme(s): Legal institutions for a market economy (P), Personal and property rights (P), State enterprise/bank restructuring and privatization (P), Rural markets (P)

Project Development Objectives:

To establish a national cadastre and title registry system, allocate land parcels to individuals in rural areas on an equitable basis, establish their property rights by issuing state deeds for land, and encourage the restructuring of farms into more efficient units, with due consideration for environmental and social safeguards.

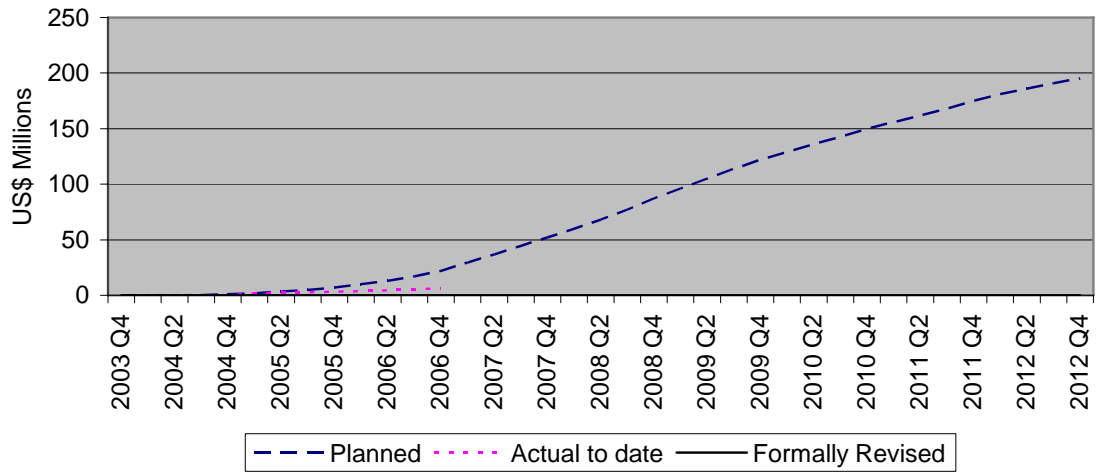
Progress toward achieving development objective(s):

The issuance of land title certificates has been progressing according to plan, primarily through using the government's own resources. Contracts to undertake mapping and issue title documents are progressing satisfactorily, but most other procurements are severely delayed because of inefficiency in the procurement process. The establishment of a unified cadastre and registration system has not progressed because of disagreement between the implementing agency and the Ministry of Justice over institutional responsibilities. Responsibility for the unified cadastre and registration system has now been moved to the Ministry of Justice, but work on its development has still not started. Project restructuring, that is underway, should help to resolve this problem. The farm restructuring component has not commenced and it is planned to cut this component from the project during restructuring.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47090	Effective	195.13	6.41	188.72	0.00
IBRD-P3940	Closed	1.44	0.00	0.00	1.44
JPN-29537	Closed	0.54	0.48	0.00	0.06





Project Name (ID): Lviv Water and Wastewater (P035786)

Country: Ukraine

Board Approval Date : 06/05/2001

Midterm Review Date : 01/17/2005

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-46100

Sector(s): Water supply (65%), Sewerage (35%)

Theme(s): Access to urban services and housing (P), Pollution management and environmental health (S)

Project Development Objectives:

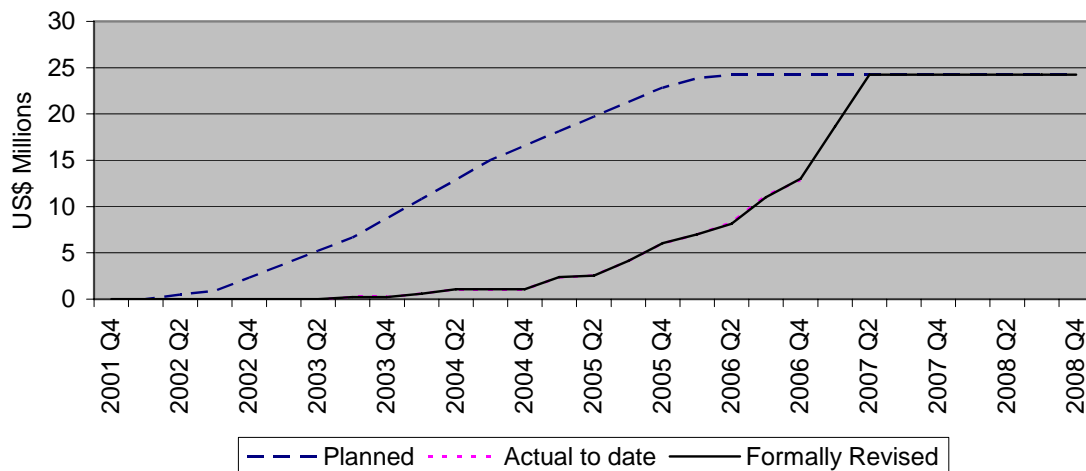
The objectives are to: (a) improve accessibility and quality of the water supply at an affordable level in Lviv, and restore public confidence in the sector; (b) improve the efficiency of Lviv Vodokanal (LVK)'s technical, commercial and financial operations; and (c) to enhance LVK's financial capacity.

Progress toward achieving development objective(s):

The project is making progress towards meeting its development objectives. Water supply is now being provided 24-hours to about 27% of the population (compared to 10% at appraisal), and about 81% of the population receives not less than a 10-hour supply.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46100	Effective	24.25	12.86	11.39	0.00



Project Name (ID): KIEV DISTRICT HEAT (P044832)

Country: Ukraine

Board Approval Date : 05/21/1998

Midterm Review Date : 07/24/2002

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-43240

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

Theme(s): Other urban development (P), State enterprise/bank restructuring and privatization (P), Climate change (S)

Project Development Objectives:

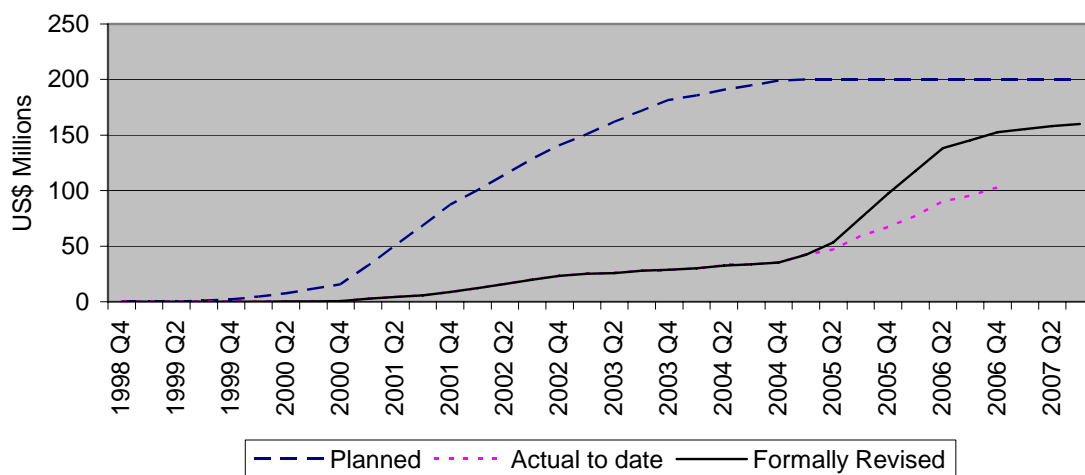
The objectives are to: (a) replace and increase heat production capacity; (b) extend the life of, increase the efficiency of, and enhance conservation of the Kyiv district heating system; and (c) promote sound cost recovery policies and practices and the commercialization and institutional strengthening of project district heating companies.

Progress toward achieving development objective(s):

Steady progress is being made toward development objectives. Implementation and disbursement progress in FY06 has been much better than before. So far, 540 gigacalories per hour of new heat production have been added to the Kyiv district heating system. In addition, 168 kilometers of pre-insulated pipes have been procured and 100 kilometers have been installed, and 33 km will be installed by October 2006.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-43240	Effective	200.00	103.04	56.96	40.00



Project Name (ID): State Tax Service Modernization (APL #1) (P057815)
Country: Ukraine
Board Approval Date : 06/05/2003
Midterm Review Date : 12/31/2007
Closing Date : 06/30/2010
Loan/Credit/Grant Number : IBRD-46980, IBRD-P3850, JPN-25817, JPN-26696
Sector(s): Central government administration (100%)
Theme(s): Tax policy and administration (P), Administrative and civil service reform (S)

Project Development Objectives:

The objective is to establish a sustainable state revenue system including: (a) modern business processes; (b) appropriate organizational structure; (c) improvements in key functions such as tax payer registration, tax accounting and declaration processing; (d) strengthened capacities in priority areas such as management, legislative and statistical analysis, collection and large tax payer services; and (e) enhanced public accountability mechanisms.

The Project was restructured during the 2006 Fiscal Year

The project was restructured to align the sequencing of activities under the Adaptable Program Loan framework with the new government's objectives for tax reform. Specifically, certain intermediate objectives were accelerated, including e-filing of return, and fast-tracking taxpayer registration and return/data processing. There were no changes in Project Development Objective or the project output.

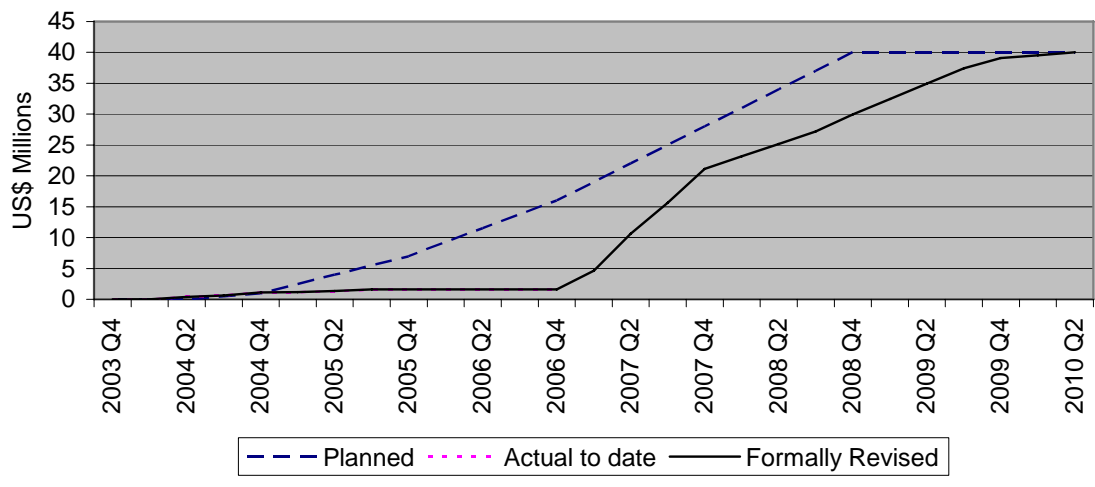
Progress toward achieving development objective(s):

After an extended implementation delay during and following political changes in Ukraine, the project was restructured in April 2006. Since then, implementation has accelerated considerably and progress has been made in preparing for the modernization of the processes and systems for taxpayer registration, declaration processing, tax accounting, and audit. In addition, a number of pilots have been initiated in electronic filing, consolidated data processing, and VAT administration with promising developments. The State Tax Administration has noticeably improved its relations to taxpayers, echoed in various surveys, through its growing ownership and improving delivery of client-oriented taxpayer services.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46980	Effective	40.00	1.57	38.43	0.00
IBRD-P3850	Closed	2.00	0.00	0.00	2.00
JPN-25817	Closed	0.25	0.25	0.00	0.00
JPN-26696	Closed	0.13	0.13	0.00	0.00





Project Name (ID): Tuberculosis and HIV/AIDS Control (P069857)

Country: Ukraine

Board Approval Date : 12/19/2002

Midterm Review Date : 01/30/2006

Closing Date : 06/30/2007

Loan/Credit/Grant Number : IBRD-46820, JPN-26294

Sector(s): Health (75%), Law and justice (15%), Other social services (5%), Central government administration (5%)

Theme(s): Other communicable diseases (P), HIV/AIDS (S), Health system performance (S)

Project Development Objectives:

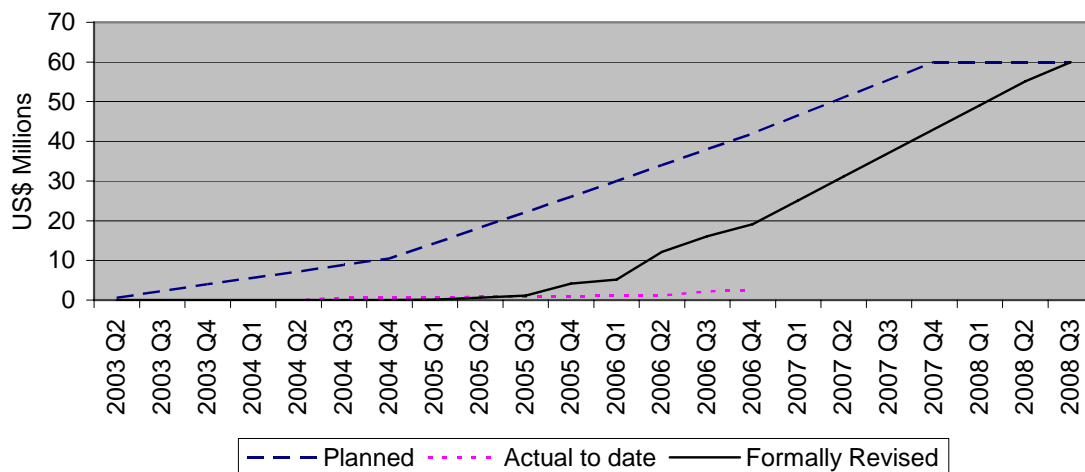
The objective is to reduce tuberculosis (TB) and HIV/AIDS related morbidity and mortality through an effective National Strategy for TB Adapted to World Standard, and an HIV/AIDS Program largely focused on prevention of transmission of the disease among high-risk groups.

Progress toward achieving development objective(s):

After more than two years implementation, the project had failed to deliver the services to target population and only 2 percent of the loan has been disbursed. The Bank suspended the disbursement of the project on April 12, 2006. The government has indicated that Ukraine needs the World Bank's support in TB/AIDS control and they would like to salvage this project. The Bank and other UN agencies are working closely with the government to restructure the project in order to lift the suspension.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46820	Effective	60.00	2.49	57.51	0.00
JPN-26294	Closed	0.42	0.29	0.00	0.12



Project Name (ID): Social Investment Fund (P069858)

Country: Ukraine

Board Approval Date : 12/04/2001

Midterm Review Date : 05/10/2005

Closing Date : 06/30/2008

Loan/Credit/Grant Number : IBRD-46420, JPN-26452, JPN-54756, UK-28380

Sector(s): Other social services (20%), Roads and highways (20%), Health (20%), General water, sanitation and flood protection (20%), General education (20%)

Theme(s): Participation and civic engagement (P), Other social protection and risk management (P), Other human development (S), Social analysis and monitoring (S)

Project Development Objectives:

The project development objectives are: (a) improved living conditions of poor communities and vulnerable groups in target areas; (b) empowered communities and vulnerable groups in targeted areas to address local social needs; and (c) assistance to reform of social protection by creating models of targeting and service provision.

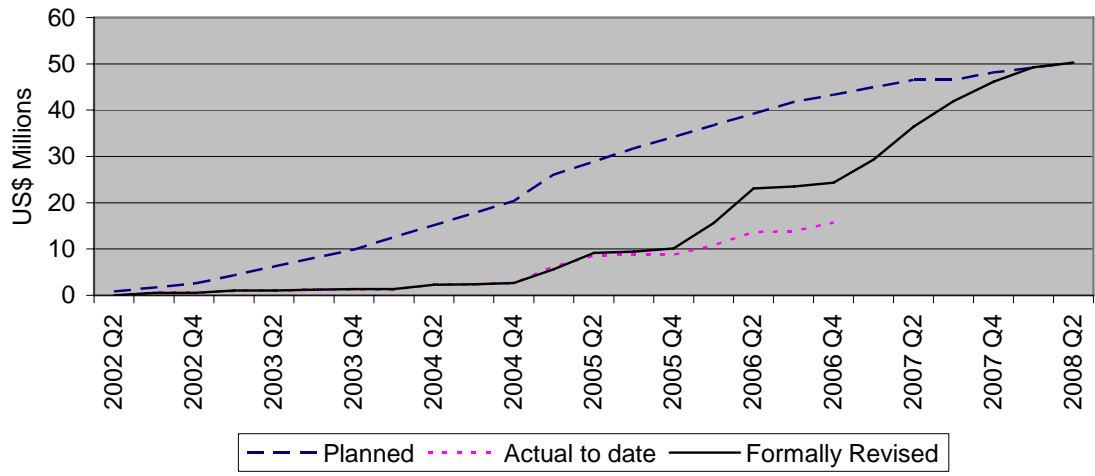
Progress toward achieving development objective(s):

Project implementation was slower than anticipated. Considering the country circumstances, however, the project has performed reasonably well, and made progress towards accomplishing development objectives. The quality of community micro-projects is good, and the beneficiaries are generally satisfied with the project. In addition, the project made considerable progress in advancing in the area of social care services.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46420	Effective	50.21	15.77	34.44	0.00
JPN-26452	Closed	0.27	0.25	0.00	0.01
JPN-54756	Effective	1.71	0.22	1.49	0.00
UK-28380	Closed	0.99	0.89	0.00	0.10





Project Name (ID): e-Development (P074885)

Country: Ukraine

Board Approval Date : 05/06/2003

Midterm Review Date : 05/01/2005

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-46920

Sector(s): General industry and trade (50%), General public administration (30%), General information and communications (20%)

Theme(s): Administrative and civil service reform (P), Regulation and competition policy (P), Public expenditure, financial management, and procurement (P), Participation and civic engagement (S), Other accountability/anti-corruption (S)

Project Development Objectives:

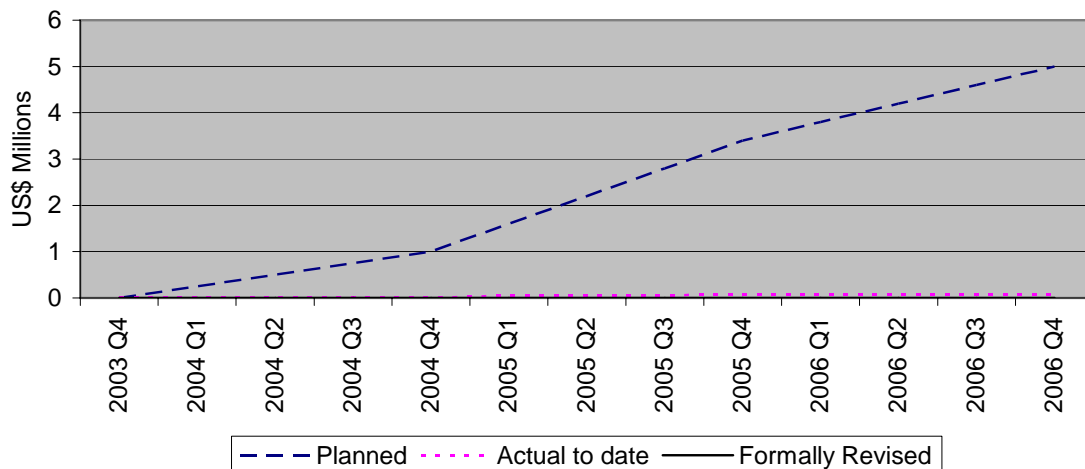
The objective is more efficient decision-making in the government through the introduction of ICT technologies which also foster private sector development and strengthen civil society.

Progress toward achieving development objective(s):

There has been little progress made toward the development objective due to the initial significant delay in project effectiveness and protracted procurement process. The project has been suspended since December 2005.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46920	Effective	5.00	0.07	4.93	0.00



Project Name (ID): Social Assistance System Modernization (P075231)

Country: Ukraine

Board Approval Date : 11/17/2005

Midterm Review Date : 05/31/2007

Closing Date : 12/31/2008

Loan/Credit/Grant Number : IBRD-48070, IBRD-P4060, JPN-51134, SIDA-56178

Sector(s): Other social services (70%), Central government administration (15%), Sub-national government administration (15%)

Theme(s): Social safety nets (P), Other social protection and risk management (S), Social analysis and monitoring (S)

Project Development Objectives:

The project objective is to modernize the social assistance system in Ukraine to enable better targeting of cash benefits.

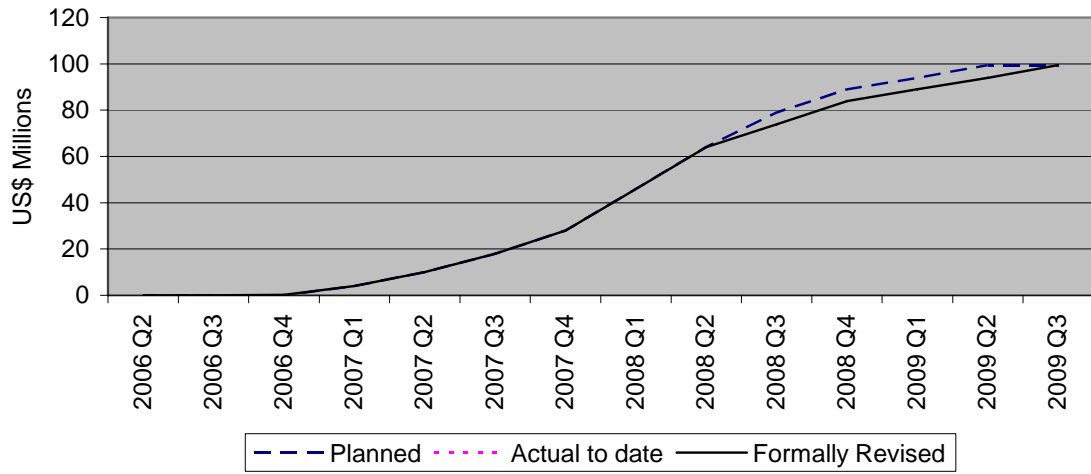
Progress toward achieving development objective(s):

The project became effective in April 2006. A strategy for reforming Ukraine's social assistance system was prepared and is under the Cabinet review. The subventions to local governments for renovation of Local Social Welfare Offices (LSWOs) have been allocated in the state budget for 2006 and the LSWOs are in the process of preparation for civil works. This will allow all 754 LSWOs in Ukraine to reconfigure their premises to make better conditions for servicing social assistance beneficiaries. After finishing these works all LSWOs will also receive a package of software, hardware and training that would allow them to better monitor targeting of the benefits. As of today twenty pilot LSWOs funded under the Project Preparation Facility (PPF) started to service the clients under a new, more client friendly business model.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48070	Effective	99.40	0.25	99.15	0.00
IBRD-P4060	Closed	2.00	0.33	1.67	0.00
JPN-51134	Closed	0.46	0.45	0.00	0.01
SIDA-56178	Effective	4.00	0.00	4.00	0.00





Project Name (ID): Development of State Statistics System for Monitoring Social and Economic Transformation (P076338)

Country: Ukraine

Board Approval Date : 03/25/2004

Midterm Review Date : 10/01/2006

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IBRD-47290, JPN-51135

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

Theme(s): Economic statistics, modeling, and forecasting (P), Poverty strategy, analysis, and monitoring (S), Other economic management (S)

Project Development Objectives:

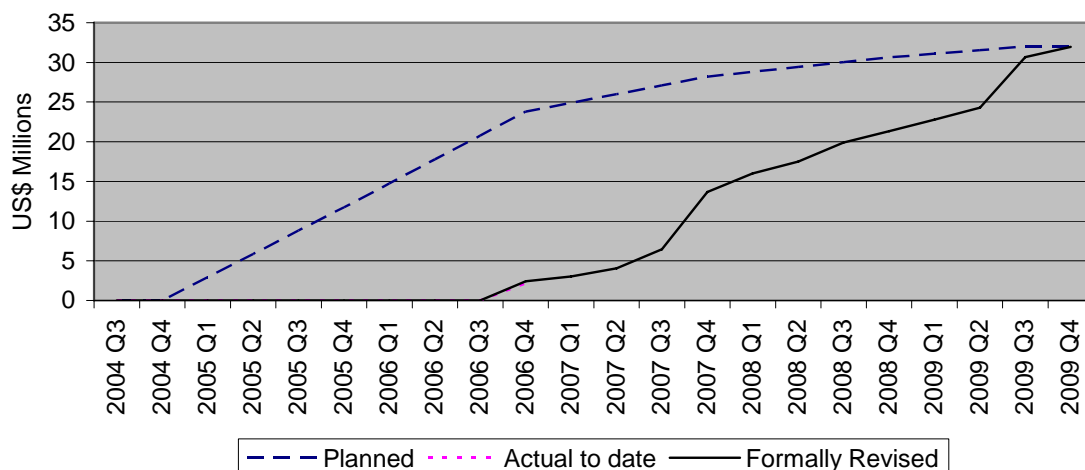
The objective is to build a sustainable state statistical system which efficiently provides timely and accurate data for policy evaluation and decision making.

Progress toward achieving development objective(s):

The project is making progress although implementation is still in the early stages. New printing equipment for regional statistics offices is being installed to improve dissemination and data collection mechanisms, and an updated software platform for statistical data processing is being implemented. The State Statistical Committee has improved data access through websites now established for each region, and have improved access to data through the main web portal.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47290	Effective	32.00	2.15	29.85	0.00
JPN-51135	Closed	0.17	0.17	0.00	0.00



Project Name (ID): Access to Financial Services (P076553)

Country: Ukraine

Board Approval Date : 06/22/2006

Closing Date : 06/30/2010

Loan/Credit/Grant Number : IBRD-48270, IBRD-P4020

Sector(s): Banking (95%), Sub-national government administration (3%), Central government administration (1%), Non-compulsory pensions, insurance and contractual savings (1%)

Theme(s): Rural markets (P), Small and medium enterprise support (P), Regulation and competition policy (S)

Project Development Objectives:

The project development objective is to increase access to financial services in rural areas, specifically for rural small- and medium-sized enterprises.

Progress toward achieving development objective(s):

The project did not become effective yet, and, therefore, there were no disbursements from the main loan. Implementation of the activities under the Advance Loan (Project Preparation Facility - PPF) is satisfactory, although the disbursements are slower than expected.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48270	Not Effective	150.00	0.00	150.00	0.00
IBRD-P4020	Effective	1.82	0.60	1.22	0.00



Project Name (ID): Equal Access to Quality Education in Ukraine (P077738)

Country: Ukraine

Board Approval Date : 05/24/2005

Midterm Review Date : 06/15/2007

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IBRD-47800, JPN-51136

Sector(s): Secondary education (50%), Central government administration (35%), Sub-national government administration (15%)

Theme(s): Education for all (P), Education for the knowledge economy (P), Administrative and civil service reform (S), Rural services and infrastructure (S)

Project Development Objectives:

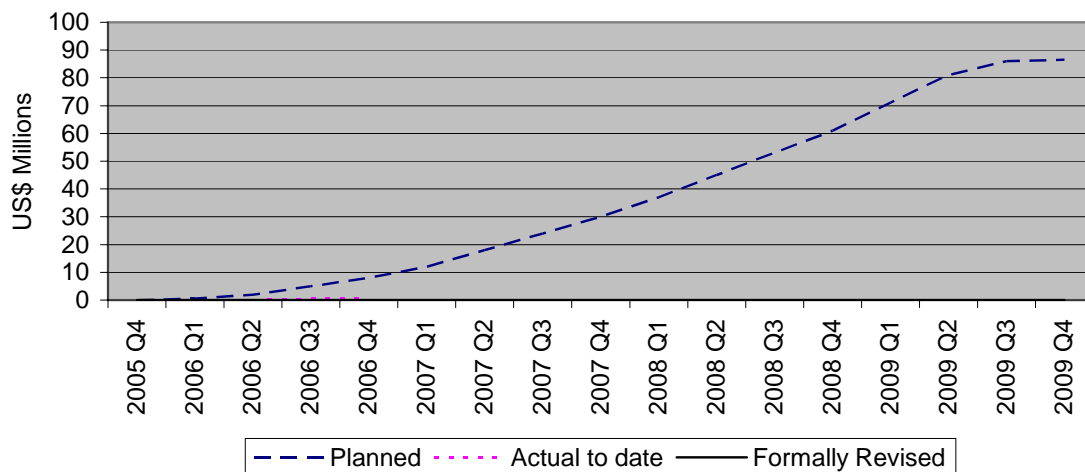
The objective is to provide equal access to quality education and to improve the efficiency of the education system to prepare Ukraine's graduates for the knowledge society.

Progress toward achieving development objective(s):

The project implementation was delayed but implementation activities are now being planned.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47800	Effective	86.59	0.43	86.15	0.00
JPN-51136	Closed	0.77	0.76	0.00	0.01



Project Name (ID): Hydropower Rehabilitation (P083702)

Country: Ukraine

Board Approval Date : 06/21/2005

Closing Date : 06/30/2012

Loan/Credit/Grant Number : IBRD-47950

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

Theme(s): Climate change (P), Water resources management (P), Debt management and fiscal sustainability (S), Other public sector governance (S), Regional integration (S)

Project Development Objectives:

The overall program objective is to improve the security, reliability and quality of energy supply, and, thereby, facilitate unimpeded operation of the energy market, both domestically and internationally. The first phase aims to improve financial and operational stability of the energy sector.

Progress toward achieving development objective(s):

Initial results are positive and include improved financial condition of UkrHydroEnergo (UHE), after the energy regulator introduced a two-tier tariff for UHE in January 2006, and good progress by the Ministry of Fuel and Energy in preparing a conceptual plan for legal and technical harmonization of Ukraine's energy sector with the main principles of the European Union Internal Energy Market. Also, the adoption of the Debt Law (July 2005) and progress in its implementation are important positive developments. Significant increases in coal, gas and electricity tariffs helped reduce quasi-fiscal activities in the energy sector and started eliminating cross-subsidies. Financial discipline (cash collections for gas and electricity) remained at a satisfactory level during the tariff adjustments.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47950	Effective	106.00	0.53	105.47	0.00



