

STATUS OF PROJECTS IN EXECUTION – FY06
SOPE
REGION: EUROPE AND CENTRAL ASIA
COUNTRY: MACEDONIA, THE FORMER YUGOSLAV
REPUBLIC OF

Operations Policy and Country Services
SEPTEMBER 19, 2006



Report on the Status of Projects in Execution - FY06
SOPE
Region: Europe and Central Asia
Country: Macedonia, The former Yugoslav Republic of

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: Macedonia, The former Yugoslav Republic of

Project Name (ID): Irrigation Rehabilitation (P038399)

Country: Macedonia

Board Approval Date : 11/04/1997

Midterm Review Date : 11/22/2000

Closing Date : 11/15/2006

Loan/Credit/Grant Number : IBRD-42410, IDA-30010, JPN-27101, NETH-21602

Sector(s): Irrigation and drainage (99%), General public administration (1%)

Theme(s): Rural services and infrastructure (P), Water resources management (P), Participation and civic engagement (S), Gender (S)

Project Development Objectives:

The objective is to enable private

farmers regain the potential of the irrigated agriculture sector through the rehabilitation of three deteriorated irrigation schemes.

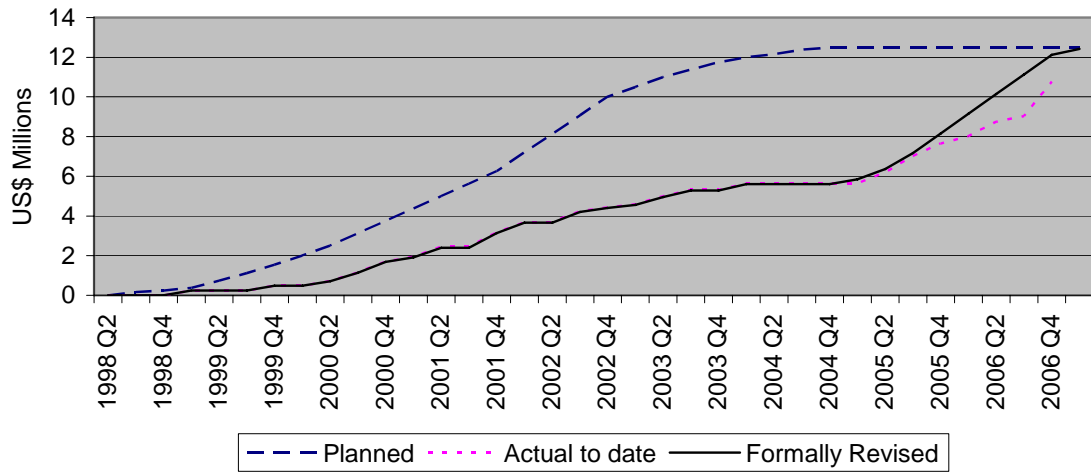
Progress toward achieving development objective(s):

The project is on track to achieve the development objective. Beyond the physical rehabilitation of deteriorated irrigation systems that is completed, the project supported the institutional reforms in the irrigation sector with the establishment of water economies taking over from former bankrupt water authorities. Legislation defining the irrigation sector as a whole as well as the main stakeholder bodies, i.e. Water Users Associations and Water Economies has been passed. Recent supervision focused on financial sustainability of the sector, in its first year were Water Economies have been in charge to collect water fees, about 60% of invoiced water fees have been collected which together with cost savings on operations results in a cost recovery of around 70%. Overall, farmers have been satisfied by the improved reliability of irrigation water and as a result are beginning to introduce higher margin crops improving their income. At project closing by November of this year, significant improvements on collection rates are expected.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-42410	Effective	8.67	5.93	2.60	0.00
IDA-30010	Closed	5.44	4.83	0.00	0.00
JPN-27101	Closed	0.30	0.29	0.00	0.00
NETH-21602	Effective	11.98	10.06	1.92	0.00





Project Name (ID): Education Modernization (P066157)

Country: Macedonia

Board Approval Date : 12/16/2003

Midterm Review Date : 05/08/2006

Closing Date : 09/30/2009

Loan/Credit/Grant Number : IBRD-47230, JPN-26114, NETH-52374, NETH-52855

Sector(s): Primary education (40%), Secondary education (30%), Central government administration (30%)

Theme(s): Education for all (P), Decentralization (P)

Project Development Objectives:

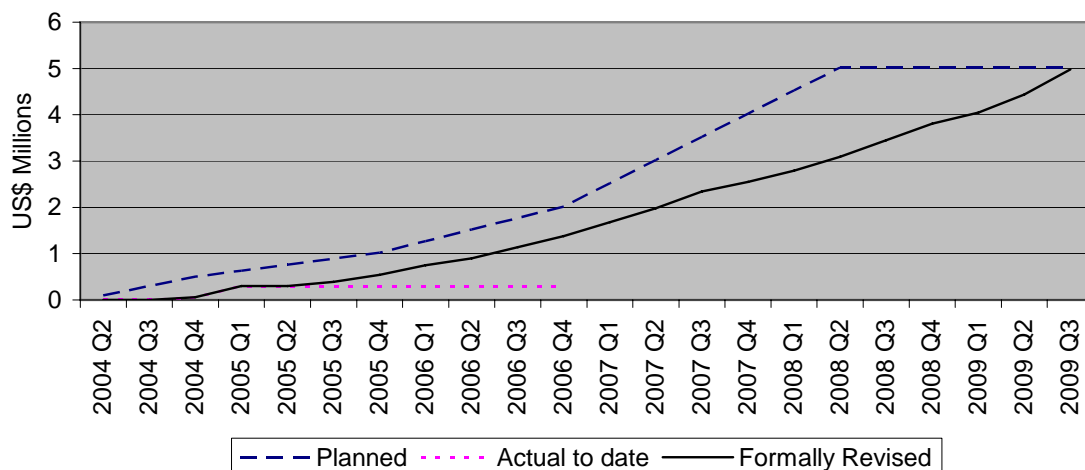
The objectives are to: (a) improve the quality of learning and participation at the targeted schools by strengthening school-level planning and management, and (b) improve the equity and efficiency for a decentralized education system.

Progress toward achieving development objective(s):

A mid-term review was conducted in May 2006 and found good progress in the main part of the project. The school grants program is now receiving money to implement school development plans. Adjustments were also identified to the second component for it to become more effective. The project continues to be at the center of the government's reforms in education and is also helping to ensure consistency with wider reform efforts.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47230	Effective	5.00	0.30	4.70	0.00
JPN-26114	Closed	0.38	0.37	0.00	0.01
NETH-52374	Closed	0.38	0.34	0.00	0.03
NETH-52855	Effective	12.57	1.14	11.40	0.00



Project Name (ID): Children and Youth Development (LIL) (P073483)

Country: Macedonia

Board Approval Date : 06/26/2001

Midterm Review Date : 06/14/2005

Closing Date : 07/31/2006

Loan/Credit/Grant Number : IDA-35400, NETH-52502

Sector(s): Other social services (80%), Sub-national government administration (10%), Central government administration (10%)

Theme(s): Participation and civic engagement (P), Other social protection and risk management (P), Improving labor markets (P), Non-communicable diseases and injury (S), Vulnerability assessment and monitoring (S)

Project Development Objectives:

The project's main development objective is to significantly increase social cohesion through the social integration of youth at risk from different socio-cultural backgrounds.

Progress toward achieving development objective(s):

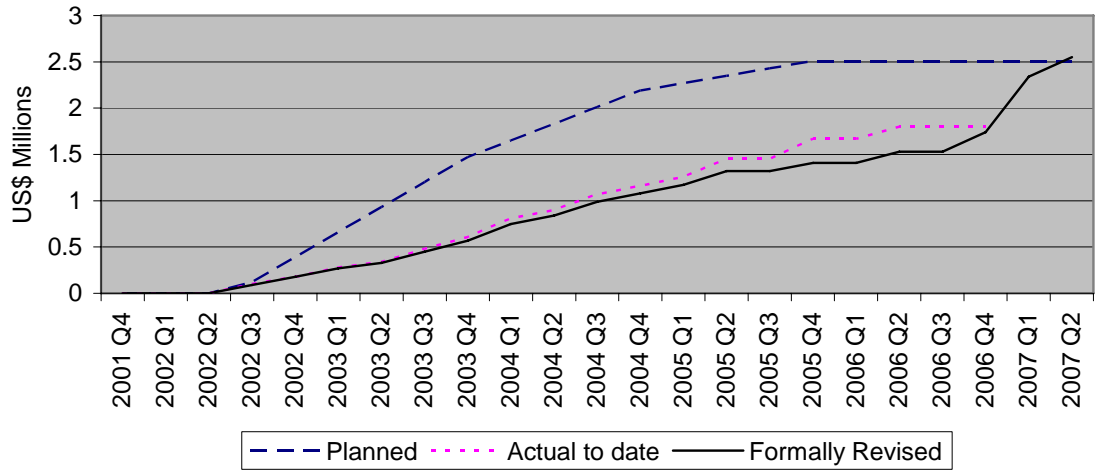
The Babylon Youth Centers (BYCs), which are the main vehicles for promoting inter-ethnic cohesion, evolved during the project from mostly mono-ethnic youth centers to facilities that reflect the diversity of the local populations in which they are located. The BYCs contributed to the integration of the Albanian and Roma population specifically: at project launch, Albanians were barely 4% of the total 4,800 beneficiaries (in only one mono-ethnic Albanian youth center) and today they represent almost 15% of the total number of 16,700 beneficiaries. The Roma beneficiaries represent 6.3% of the total number of beneficiaries which is higher than the national percentage.

Today, the BYCs are perceived as the only youth gathering places with inter-ethnic integration, as compared to schools, bars, and other places of popular culture (music and sport events in particular). In this context, beneficiaries mentioned Babylon Centers as places that offered them possibilities for greater communication and interactions, for meeting other youth, learning about each other and about other cultures, which would have been reduced to a minimum (resulting in idleness and apathy) had there not been BYCs. Surpassing the initial target of 31, BYCs are currently functioning in 33 localities where programs emphasizing inter-ethnic participation are offered.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35400	Effective	2.94	1.80	1.07	0.00
NETH-52502	Closed	1.00	0.46	0.54	0.00





Project Name (ID): Social Protection (P074358)

Country: Macedonia

Board Approval Date : 05/13/2004

Midterm Review Date : 12/02/2006

Closing Date : 06/30/2009

Loan/Credit/Grant Number : IBRD-47320, JPN-26815

Sector(s): Compulsory pension and unemployment insurance (80%), Other social services (20%)

Theme(s): Social risk mitigation (P), Other social protection and risk management (P), Public expenditure, financial management, and procurement (S), Other public sector governance (S)

Project Development Objectives:

The objectives are to improve the effectiveness and efficiency of the social protection system through improved administration and long-term sustainability of the pension system and improved targeting and administration of cash benefits.

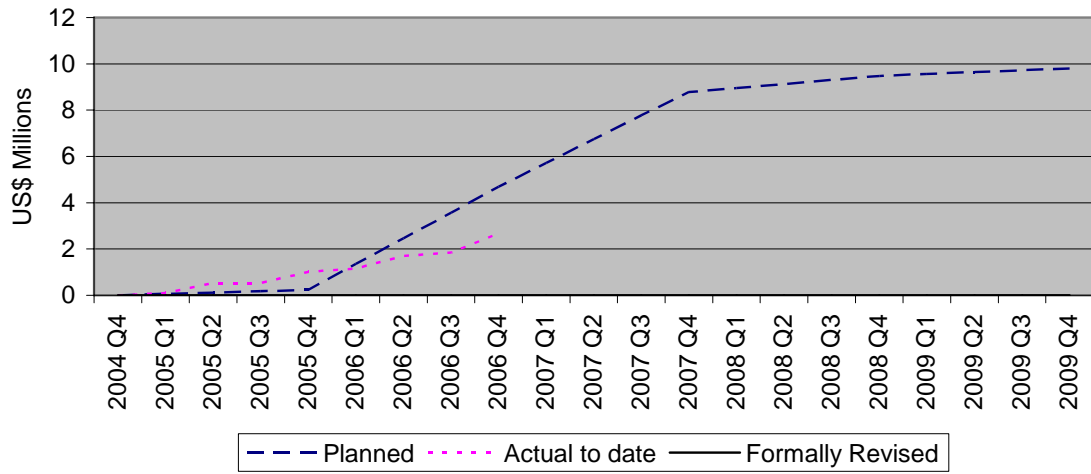
Progress toward achieving development objective(s):

There has been significant progress made towards meeting the project objectives. The new system of collecting pension contributions and data on those contributions started operating on January 1, 2006. The system is based on electronic submissions of regular monthly reports of contributions on an individual basis. The availability of individual data improved the monitoring of compliance. It also enabled the start-up of the mandatory second pillar of the pension system. More than 100,000 contributors have joined the new system. Following the successful start-up of the new pension system, the government recently intensified project activities related to the reform of the cash benefits administration.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47320	Effective	9.80	2.67	7.13	0.00
JPN-26815	Closed	0.40	0.36	0.00	0.04





Project Name (ID): Business Environment Reform and Institution Strengthening (P079552)

Country: Macedonia

Board Approval Date : 06/21/2005

Midterm Review Date : 10/31/2007

Closing Date : 03/31/2010

Loan/Credit/Grant Number : IBRD-47930

Sector(s): Other domestic and international trade (40%), Central government administration (30%), General public administration (30%)

Theme(s): Infrastructure services for private sector development (P), Regulation and competition policy (P), Other accountability/anti-corruption (S), Other financial and private sector development (S), Export development and competitiveness (S)

Project Development Objectives:

The objective is for the government to improve selected aspects of the business environment in a European Union-oriented manner by strengthening its capacity in related areas.

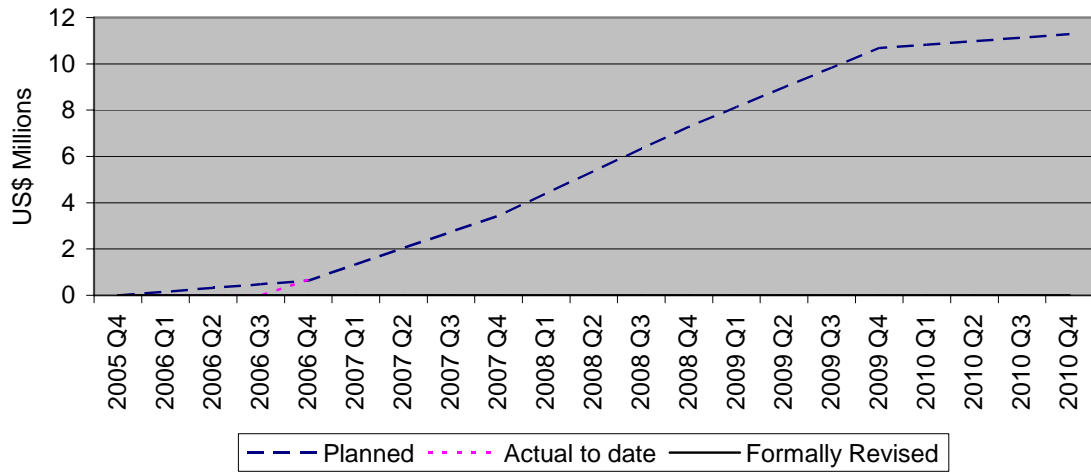
Progress toward achieving development objective(s):

The project is still in the early stage of implementation. Several activities have been undertaken to ensure successful implementation of the project. The Accreditation Institute has started accreditation procedures. The Standardization Institute adopted 790 standards during the period January-April 2006. As of January 1, 2006 a "one-stop-shop-system" for business registration was established and became fully operational, allowing for a simple, fast, and less expensive business registration procedure within the Central Registry. New businesses can now register in 30 offices of the Central Registry throughout the country.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47930	Effective	11.06	0.68	10.37	0.00





Project Name (ID): ECSEE APL 3 - FYR Macedonia (P082337)

Country: Macedonia

Board Approval Date : 01/10/2006

Closing Date : 03/31/2011

Loan/Credit/Grant Number : IBRD-48140, JPN-52421

Sector(s): Power (100%)

Theme(s): Regional integration (P), Infrastructure services for private sector development (S)

Project Development Objectives:

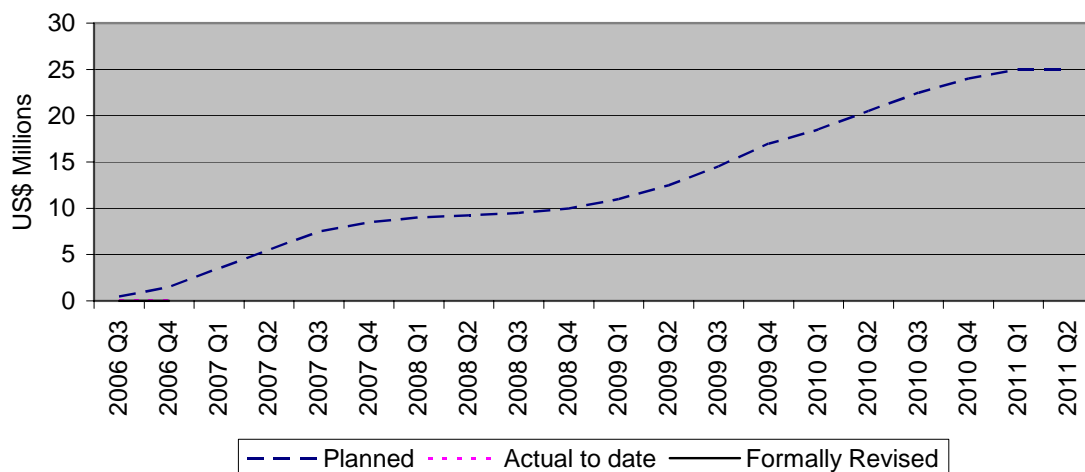
The project's objective is to support the functioning of the new transmission company (AD MEPSO) in the context of the regional power market through financing investments necessary to rehabilitate and upgrade the power transmission network and increase the level of interconnectivity with neighboring power systems, and to strengthen the institutional capacity of AD MEPSO.

Progress toward achieving development objective(s):

The loan became effective only on May 25, 2006. AD MEPSO has already made significant progress in procuring and contracting about 40% of the projects financed by the loan.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48140	Effective	26.01	0.07	25.95	0.00
JPN-52421	Closed	0.54	0.28	0.26	0.00



Project Name (ID): Real Estate Cadastre and Registration (P083126)

Country: Macedonia

Board Approval Date : 03/15/2005

Midterm Review Date : 09/30/2007

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IBRD-47680, JPN-52809, NETH-54139

Sector(s): Central government administration (40%), General agriculture, fishing and forestry (30%), Law and justice (25%), Tertiary education (5%)

Theme(s): Personal and property rights (P), Land administration and management (P), Administrative and civil service reform (S), Other public sector governance (S)

Project Development Objectives:

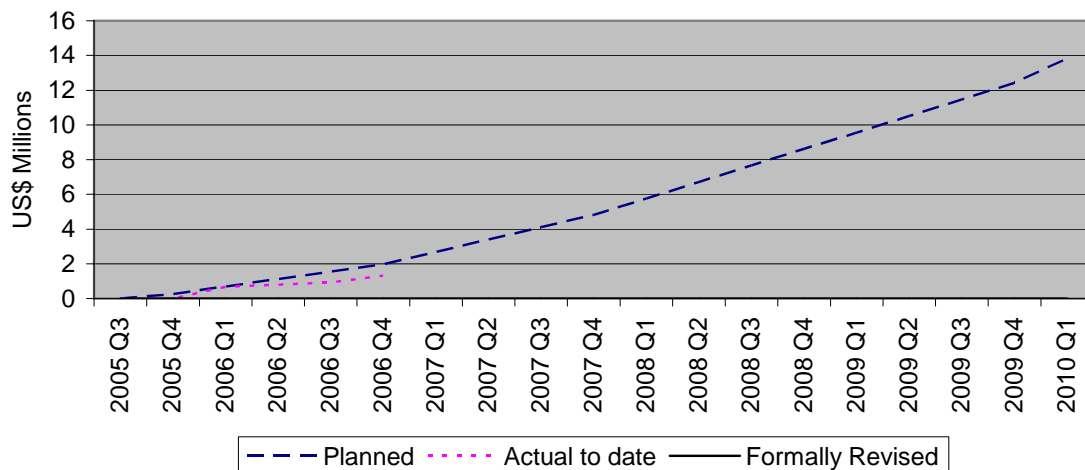
The objective of the project is to build an efficient and effective real estate cadastre and registration system, contributing to the development of efficient land and real estate markets.

Progress toward achieving development objective(s):

The project became effective in July 2005. Project implementation is going generally well. Early progress in the implementation, especially with respect to the amendment of the law, improvement in customer services in Skopje offices, and the start up activities of land policy work gives an indication that achieving project objectives is highly likely.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47680	Effective	12.94	1.32	11.59	0.00
JPN-52809	Closed	0.45	0.43	0.00	0.01
NETH-54139	Effective	0.69	0.45	0.22	0.00



Project Name (ID): RAILWAYS REFORM (P083499)

Country: Macedonia

Board Approval Date : 09/15/2005

Midterm Review Date : 06/01/2007

Closing Date : 10/31/2009

Loan/Credit/Grant Number : IBRD-48020

Sector(s): Railways (98%), Central government administration (2%)

Theme(s): Infrastructure services for private sector development (P), State enterprise/bank restructuring and privatization (P), Other public sector governance (S), Trade facilitation and market access (S), Improving labor markets (S)

Project Development Objectives:

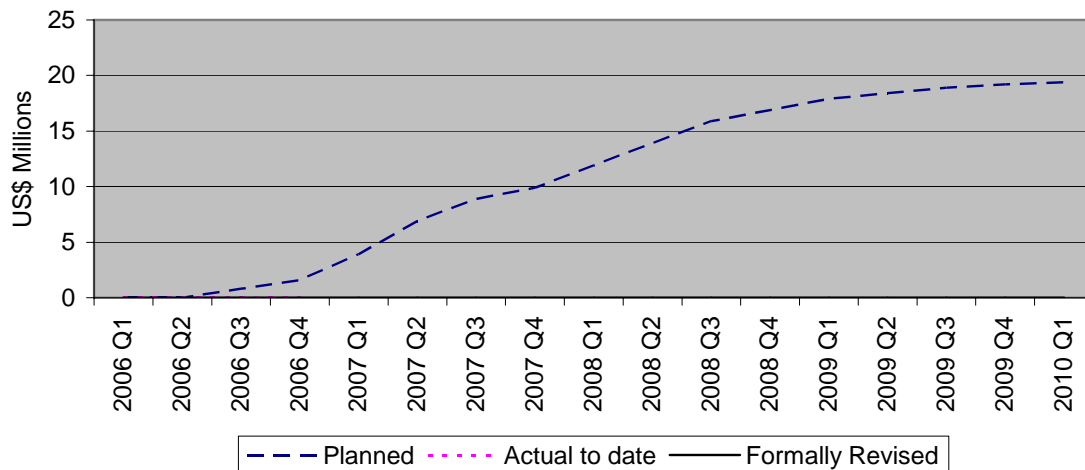
The project seeks to improve the financial viability, productivity, and effectiveness of railway operations.

Progress toward achieving development objective(s):

The project became effective only at the end of the reporting period, so results could not yet be expected.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48020	Effective	18.85	0.05	18.80	0.00



Project Name (ID): Health Sector Management (P086670)

Country: Macedonia

Board Approval Date : 05/13/2004

Midterm Review Date : 03/01/2007

Closing Date : 06/30/2009

Loan/Credit/Grant Number : IBRD-47330, JPN-26814

Sector(s): Health (54%), Compulsory health finance (34%), Central government administration (10%), Non-compulsory health finance (2%)

Theme(s): Health system performance (P)

Project Development Objectives:

The objectives are: (a) to upgrade the capacity of the Ministry of Health and Health Insurance Fund to formulate and effectively implement health policies, health insurance, financial management and contracting of providers; and (b) to develop and implement an efficient scheme of restructuring of hospital services with emphasis on developing day-care services and shifting to primary care.

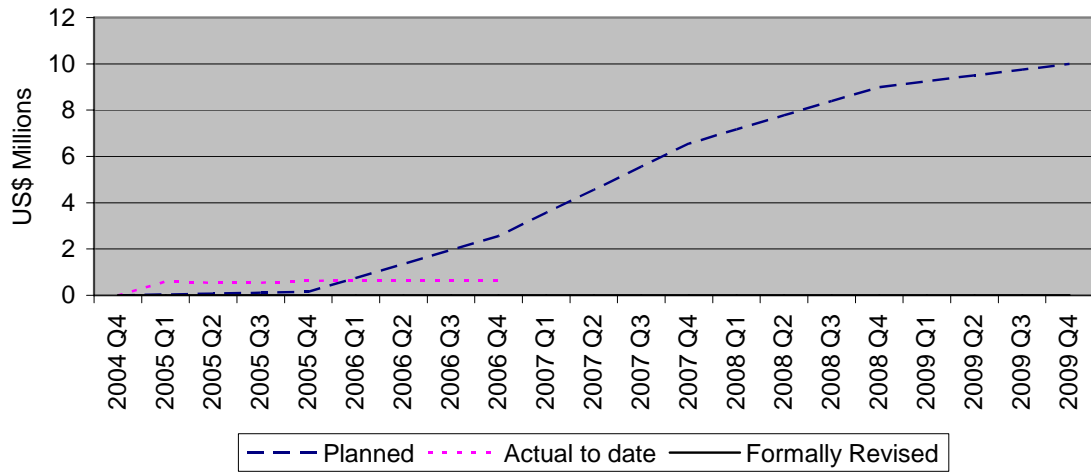
Progress toward achieving development objective(s):

Project implementation has continued to proceed at a steady pace, and good progress has been made. Several important studies have been completed (IT Strategy, Health Strategy, Pharmaceutical Policy, Business Plans), and the stage is set for a rapid ramping up of disbursements, especially as the Grants program begins operations. It is clear that the project is being increasingly used to actively support health reform activities and build up capacity where needed, consistent with the development objectives, and the ongoing discussions with senior MOH management.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47330	Effective	10.00	0.64	9.36	0.00
JPN-26814	Closed	0.49	0.49	0.00	0.00





Project Name (ID): Legal and Judicial Implementation and Institutional Support (P089859)

Country: Macedonia

Board Approval Date : 06/01/2006

Closing Date : 07/31/2011

Loan/Credit/Grant Number : IBRD-48230

Sector(s): Law and justice (98%), Central government administration (2%)

Theme(s): Judicial and other dispute resolution mechanisms (P), Legal institutions for a market economy (P), Access to law and justice (S), Law reform (S), Other rule of law (S)

Project Development Objectives:

The project development objective is to contribute to improving judicial efficiency and effectiveness and the business climate in FYR Macedonia by: (a) enhancing ministerial and judicial capacity to systemically implement the Government's Judicial Reform Strategy and key laws; and (b)improving judicial infrastructure.

Progress toward achieving development objective(s):

This 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-48230	Not Effective	12.57	0.00	12.57	0.00

