

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

Operations Policy and Country Services
SEPTEMBER 19, 2006



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

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: Russian Federation**Project Name (ID):** Environmental Management (P008821)**Country:** Russian Federation**Board Approval Date :** 11/08/1994**Midterm Review Date :** 02/10/1999**Closing Date :** 12/31/2007**Loan/Credit/Grant Number :** IBRD-38060, SWTZ-03810, SWTZ-20217**Sector(s):** Other industry (67%), Central government administration (13%), Sub-national government administration (9%), Water supply (6%), Solid waste management (5%)**Theme(s):** Environmental policies and institutions (P), Pollution management and environmental health (P), Water resources management (P), Other financial and private sector development (P), Administrative and civil service reform (S)**Project Development Objectives:**

The objectives are to: (i) strengthen and streamline federal and regional institutional structures for environmental and natural resource management; (ii) improve federal and regional environment policy and strategy formulation and implementation; (iii) upgrade environmental and natural resource management systems; (iv) address priority environmental management investment needs through the setting up of initial capitalization of the National Pollution Abatement Facility; (v) assist in the financing of economically viable, high priority resource recovery/pollution abatement projects in the country; and (vi) facilitate the flow of donor funds and resources to the environmental protection sector.

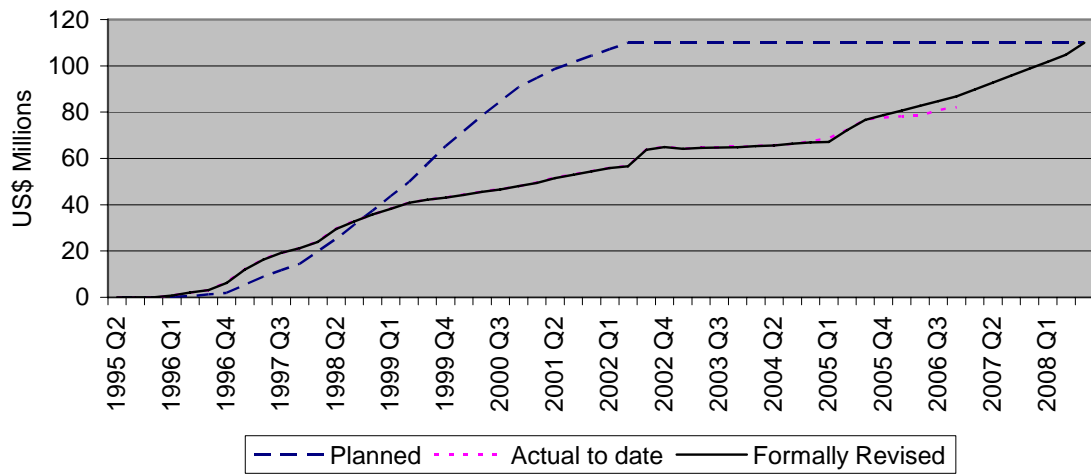
Progress toward achieving development objective(s):

While the National Pollution Abatement Facility has financed a number of important investments to reduce industrial pollution, in the pulp and paper and chemicals sector, progress overall has been slower than expected. Only US\$35 million out of US\$68 million has been invested to date because of lengthy delays in approval processes and cumbersome on-lending arrangements. The project team will propose to cancel remaining uncommitted funds and close the loan by December 31, 2006 if a final loan agreement cannot be concluded soon.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-38060	Effective	110.00	82.07	27.93	0.00
SWTZ-03810	Effective	9.65	5.06	4.29	0.00
SWTZ-20217	Closed	3.00	2.85	0.00	0.15





Project Name (ID): Municipal Water and Wastewater (P008832)

Country: Russian Federation

Board Approval Date : 12/21/2000

Midterm Review Date : 04/18/2005

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IBRD-45930, JPN-25555

Sector(s): Water supply (50%), Sewerage (50%)

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

Project Development Objectives:

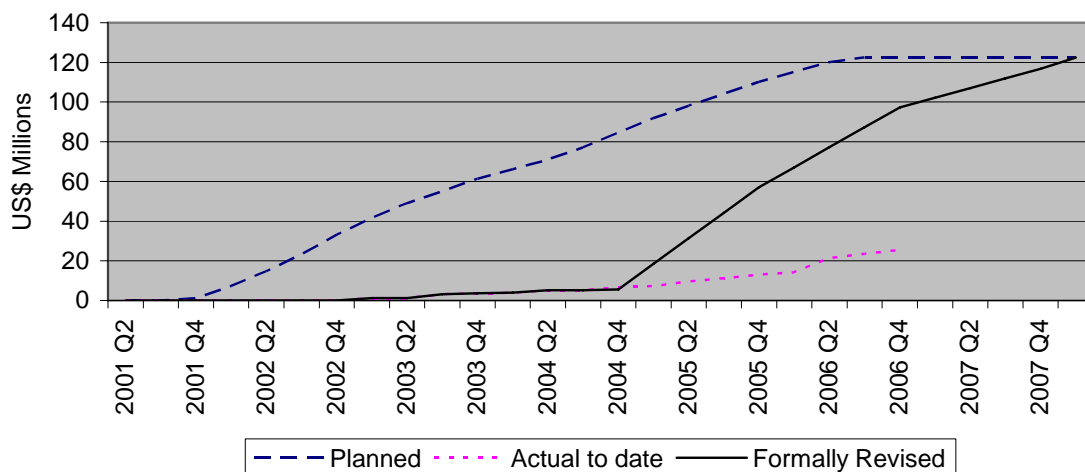
The objective is to arrest the decline of water and wastewater services of fourteen medium-size cities (less than 500,000 inhabitants) located in different regions of Russia that have demonstrated their commitment to the project objectives and the institutional reforms necessary to achieve them.

Progress toward achieving development objective(s):

After significant delays, the project implementation is back on track. The loan closing date was extended to December 31, 2007 to allow for the completion of existing contracts and a complete building season. Participating water utilities have further improved their performance and efficiency this year, and there is a high probability that the project will achieve its development objectives if implementation proceeds as currently planned.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45930	Effective	122.50	25.45	63.43	33.62
JPN-25555	Closed	0.82	0.77	0.00	0.04



Project Name (ID): Capital Market Development (P042622)

Country: Russian Federation

Board Approval Date : 05/30/1996

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-40290

Sector(s): Central government administration (76%), Capital markets (17%), Law and justice (7%)

Theme(s): Regulation and competition policy (P), Legal institutions for a market economy (P), Infrastructure services for private sector development (P), Standards and financial reporting (P)

Project Development Objectives:

The objectives of the project are: (a) to build a comprehensive policy and legal framework for development of the Russian Capital Market; (b) to build core institutional capacity in regulation and self regulation; (c) to improve the efficiency, transparency and systemic stability of market architecture; and, (d) to ensure the efficient issuance, service, and registration of Russian Federation debt securities.

Progress toward achieving development objective(s):

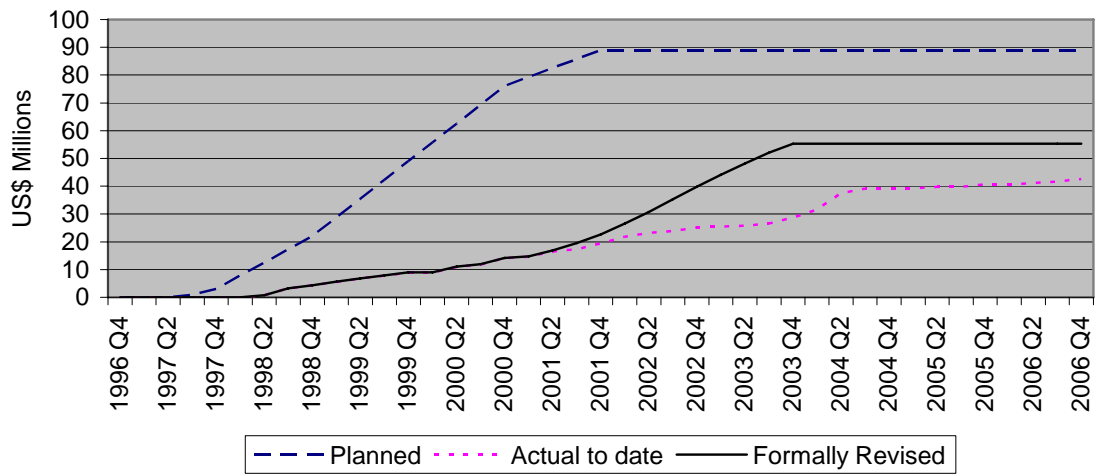
Progress towards achieving the project development objectives and project contribution to the development of Russian securities market regulation and supervision for the reporting period were significant. The work accomplished by the group of technical experts advising the Federal Financial Markets Service (FFMS) under the project has resulted in important improvements in the legal and regulatory framework pertaining to organized securities trading, development of new financial instruments, standards and procedures for investment activities of collective investment funds and management of second pillar pension assets by the pension funds industry. In addition, the group of technical experts helped draft the Government's mid-term capital markets development strategy.

With the rapid growth of both the number of market participants and the size of the market (60% GDP market capitalization), addressing the remaining infrastructure bottlenecks and legal gaps that increase trading risks has become a critically important undertaking. These issues are also currently being addressed through three key project activities in complex areas related to the (a) creation of a Central Securities Depository, (b) development of legislation on insider trading and price manipulation, and (c) development of risk-based and other prudential requirements for market participants.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-40290	Effective	89.00	42.67	12.25	34.09





Project Name (ID): Moscow Urban Transport (P046061)

Country: Russian Federation

Board Approval Date : 02/06/2001

Midterm Review Date : 09/01/2004

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-45950

Sector(s): Sub-national government administration (74%), Roads and highways (26%)

Theme(s): Municipal governance and institution building (P), Other urban development (P)

Project Development Objectives:

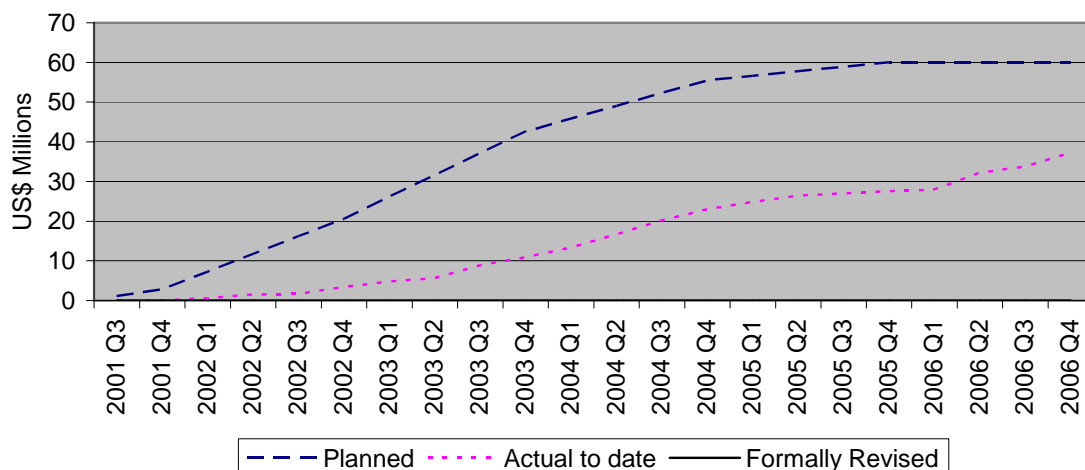
The objective is to improve the institutional capacity of the city of Moscow to plan, design, implement, operate and enforce traffic management measures so as to improve surface transport mobility in Moscow.

Progress toward achieving development objective(s):

The project is making progress toward achieving its development objective. The Traffic Management Center (TMC) has been established and adequately staffed, and there is a commitment to make it the leading traffic agency. A study aimed at strengthening the legal basis for improved traffic management has been completed. High priority physical works have been built. An extension to the closing date has allowed to complete the construction of the underpass at Preobrazhinskaya Ploschad and to launch the implementation of the 3rd Ring Traffic Control System (to be completed by end of 2006).

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45950	Effective	60.00	37.25	22.75	0.00



Project Name (ID): Health Reform Implementation (P046497)

Country: Russian Federation

Board Approval Date : 03/18/2003

Midterm Review Date : 12/11/2006

Closing Date : 06/30/2008

Loan/Credit/Grant Number : IBRD-46850

Sector(s): Health (70%), Non-compulsory health finance (10%), Central government administration (10%), Sub-national government administration (10%)

Theme(s): Health system performance (P), Administrative and civil service reform (P), Decentralization (S), Law reform (S)

Project Development Objectives:

The objectives are to: (a) establish a system of federal regulation required for effective governance and management of the health system; (b) develop and implement strategic approaches to health sector reform in selected regions; (c) strengthen the institutional capacity of the Ministry of Health as a federal executive agency; (d) draw lessons from the implementation of regional programs and disseminate them to other regions; and (e) develop and implement an efficient scheme of restructuring of the health system, with emphasis on increased access, quality and efficiency of health services that will benefit from direct investment under the project.

Progress toward achieving development objective(s):

The implementation of the project, as measured in terms of key performance indicators, tender processes, and project expenses, improved significantly in 2006 and is progressing well.

Under the federal level component, evidence based clinical guidelines are being developed to help establish vertical links between the federal and regional levels of the health care delivery system and to establish quality standards for the provision of medical care. Once adopted by the Federal Ministry of Health and Social Protection, they would serve as an effective instrument to regulate a decentralized health system. To date, 15 protocols developed by the project have been adopted by the Federal Ministry of Health and Social Development. There are a further 160 standards of specialized inpatient care under development.

After the sub-loan agreements with the Chuvash Republic and the Voronezh Oblast were signed in September 2005, project activities at the regional level have begun to be implemented in earnest. Both Chuvash Republic and Voronezh Oblast have developed detailed "Strategic Plans" which articulate integrated and comprehensive approaches for restructuring their health care delivery systems.



Intra-sectoral working in primary health care (PHC) is observed in both regions. New organizational forms for providers are also emerging in Chuvash and Voronezh regions. In Chuvash integrated provider networks are being created in with the inter-rayon hospital established as the hub. In contrast, in Voronezh the emerging model is a polyclinic-centered PHC system, which, with group practice centers, offer the possibility of developing extended PHC services that can improve continuity of care. In both models, the managing structure including planning, budgeting, staffing, health insurance contracting, billing and collections, financial management and accounting, and quality and performance control among others remains either in the old rayon Hospital now assuming the Inter-rayon functions as small hospitals are being converted to group practice offices in Chuvash, or through the Polyclinic in Voronezh City.

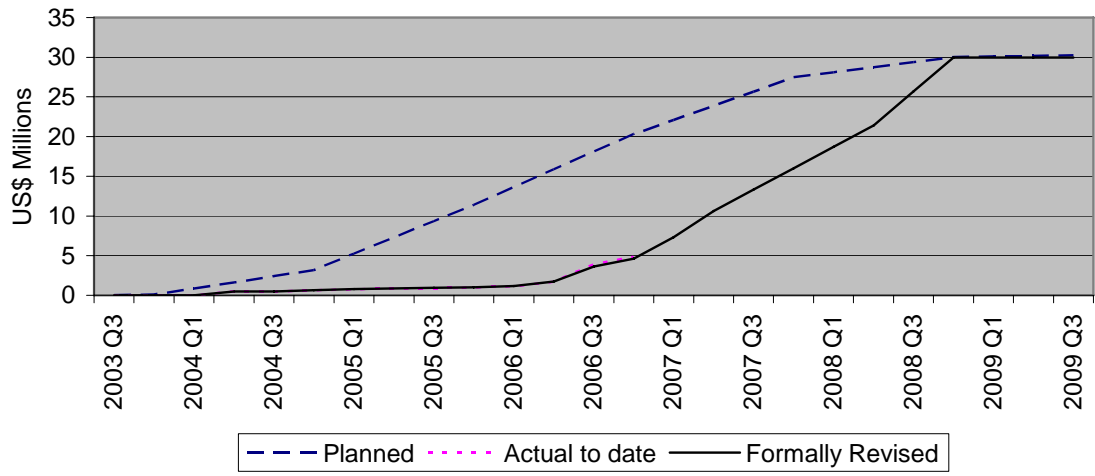
Emergence of a stronger PHC is coupled with the rationalization of the secondary care sector. In Voronezh, since 2002, the number of hospital beds has declined by 3,946 and there are plans to close a further 1,000 beds in 2006. In Chuvash Republic rationalization of the use of buildings has already saved the region budget approximately 4.5 million rubles. In Voronezh, to date, 237 group practice centers (181 rural and 56 urban) have been established and refurbished. In Chuvash Republic, to date, 272 group practice centers (181 rural and 56 urban) have been established and refurbished. In both cases, all will be equipped by medical equipment that will be purchased through the project.

Progress in use of information systems is apparent. Significant progress has been made in Chuvash, with the implementation of the Patient and Family medical Passport software and drug prescription applications. Last mission in November of 2004, the software was only available in 10% of the GP offices. Now it is available in 100% of the 272 group practice offices including the rural group practices.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46850	Effective	30.00	4.85	25.15	0.00





Project Name (ID): Education Reform (P050474)

Country: Russian Federation

Board Approval Date : 05/24/2001

Midterm Review Date : 04/15/2005

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-46050, JPN-25716

Sector(s): General education (35%), Vocational training (25%), Central government administration (20%), Sub-national government administration (10%), Primary education (10%)

Theme(s): Education for all (P), Administrative and civil service reform (P), Rural services and infrastructure (P), Improving labor markets (P)

Project Development Objectives:

The objective is to provide assistance to the Ministry of Education and competitively selected regions in the Russian Federation to reform general and initial vocational education in order to (a) improve quality and standards; (b) promote efficient and equitable use of scarce public resources; (c) modernize the education system; and (d) improve the flexibility and market relevance of initial vocational education.

Progress toward achieving development objective(s):

The introduction of per capita funding has brought about a better alignment between resource allocation and school needs. Consequently, the number of schools and classes has fallen in line with the number of pupils, and pupil/teacher and pupil/non-teacher ratios have increased significantly. At the school level, there are also examples of an increase in the development expenditure and of an increased ability to obtain non-budget funding.

The federal component of the project helped strengthening local capacity for educational policy development and evaluation by developing and introducing minimum standards and guidelines for improved education services in all project sites. Over 3,000 officials and professionals have been trained the new standards based quality monitoring system. New normative and regulations have been developed and introduced for the modernization of vocational education and training.

In Samara, state exams results in math have improved slightly in urban and rural areas respectively. Results in Russian language, however, have remained the same. Results for both math and Russian tests declined in the Chuvash Republic and the Voronezh Oblast.

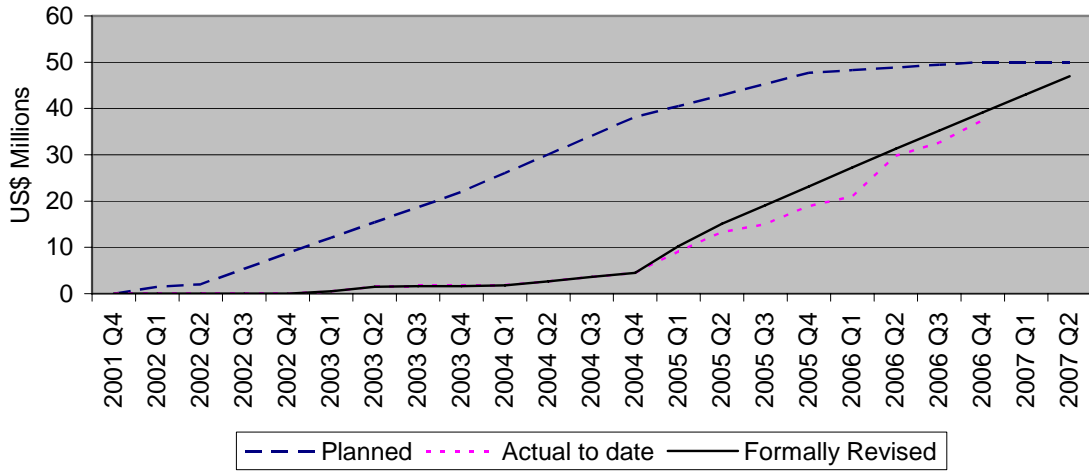
Almost no improvement has been observed on secondary education enrollment which



remains unchanged at 92%. Student teacher ratios in rural areas have also remained unchanged at 12/1, 10.3/1, and 9.9/1 in Samara, Chuvash, and Voronezh respectively.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46050	Effective	50.00	37.48	9.52	3.00
JPN-25716	Closed	0.94	0.86	0.00	0.08



Project Name (ID): Development of State Statistical System (P050487)

Country: Russian Federation

Board Approval Date : 05/13/1999

Midterm Review Date : 05/27/2002

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-44680, JPN-25359

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

Theme(s): Economic statistics, modeling, and forecasting (P), Infrastructure services for private sector development (P), Analysis of economic growth (S), Legal institutions for a market economy (S), Macroeconomic management (S)

Project Development Objectives:

The objectives are to strengthen the statistical information base for improved economic management and availability of data needed for a functioning market economy by continuing institutional development and implementing a large scale training effort at the Federal Service for State Statistics in Russia (ROSSTAT) and other data collection agencies; and improving data coverage, collection and processing methods and systems.

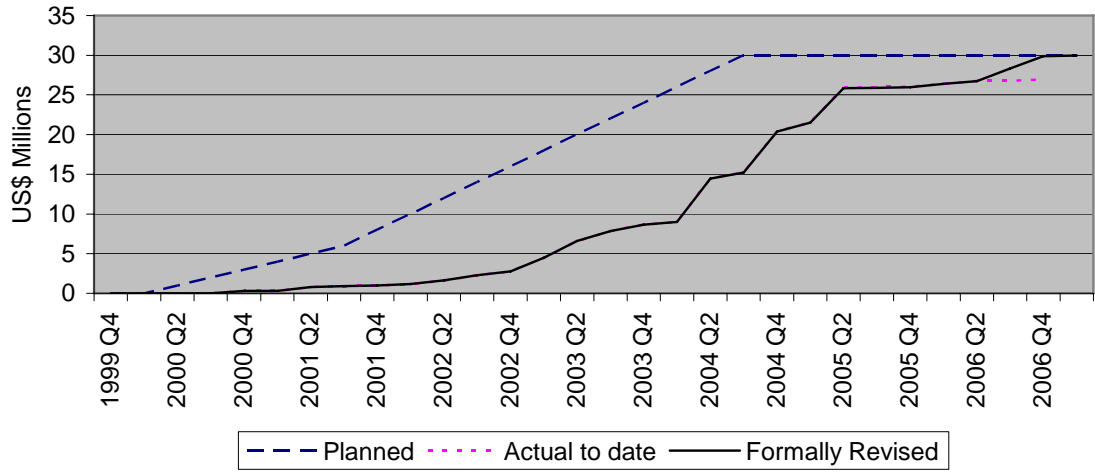
Progress toward achieving development objective(s):

Approaching its closing date (Dec 31, 2006) the project is meeting its objectives through the introduction of a new technical system at the federal and regional levels, the upgrading of the current methodological basis of ROSSTAT practice in compliance with international standards, the launching of the public access to customs and household budget surveys datasets and completion of essential local and international training programs.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-44680	Effective	30.00	26.92	3.08	0.00
JPN-25359	Closed	0.44	0.39	0.00	0.05





Project Name (ID): ELEC SECTR REF (P050891)

Country: Russian Federation

Board Approval Date : 06/05/1997

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-41810

Sector(s): Power (80%), Central government administration (20%)

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

Project Development Objectives:

The objective of the project is to lay the groundwork for improving the short and long term efficiency of the Russian electricity sector to ensure a reliable supply of electricity at competitive prices.

Progress toward achieving development objective(s):

Substantial progress has been made toward the development objective due to significant reforms that have been undertaken in the Russian power sector. Industry restructuring is quite advanced; financial performance in the sector is solid; regulatory institutions are in place; and a pilot wholesale market is in operation.

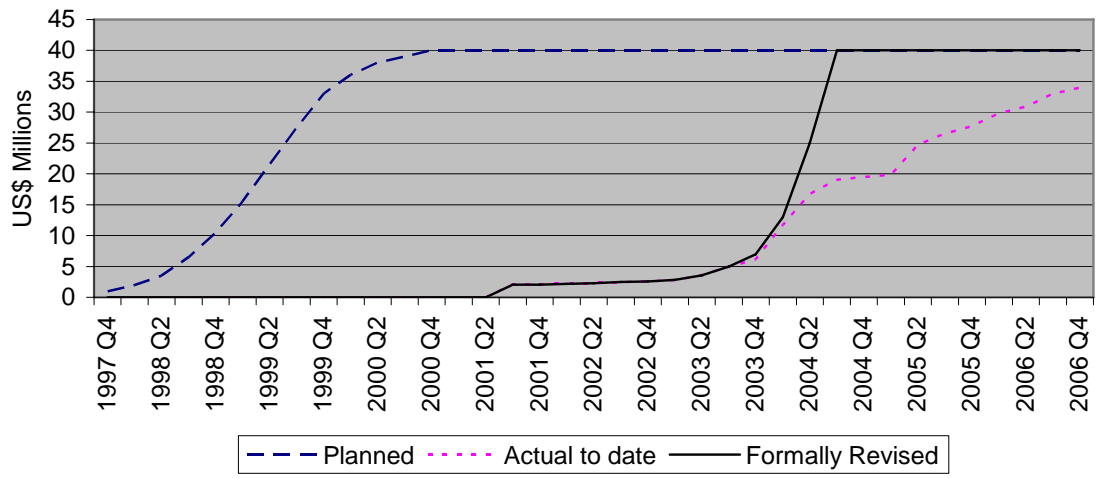
Although the mechanisms of privatization of generation assets are still being debated in the government, the Unified Energy System of Russia (RAO UES) has proceeded with the essential first steps to this end -- including the valuation of generation assets and creation of the wholesale generation companies as new legal entities.

The pilot wholesale market has been operating for two years and accounts for about 10% of all electricity generated in the European part of Russia and the Urals. Creation of the Administrator of the Trading System and the legal framework for its operation is a major accomplishment of RAO UES under the project.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-41810	Effective	40.00	34.01	4.14	1.86





Project Name (ID): Sustainable Forestry Pilot (P053830)

Country: Russian Federation

Board Approval Date : 05/23/2000

Midterm Review Date : 11/04/2004

Closing Date : 09/30/2007

Loan/Credit/Grant Number : IBRD-45520

Sector(s): Central government administration (90%), Forestry (8%), Agro-industry (2%)

Theme(s): Environmental policies and institutions (P), Infrastructure services for private sector development (P), Administrative and civil service reform (P), Other environment and natural resources management (P), Trade facilitation and market access (S)

Project Development Objectives:

The development objective is to improve public sector management of Russia's forests and to improve the enabling environment for private sector investment.

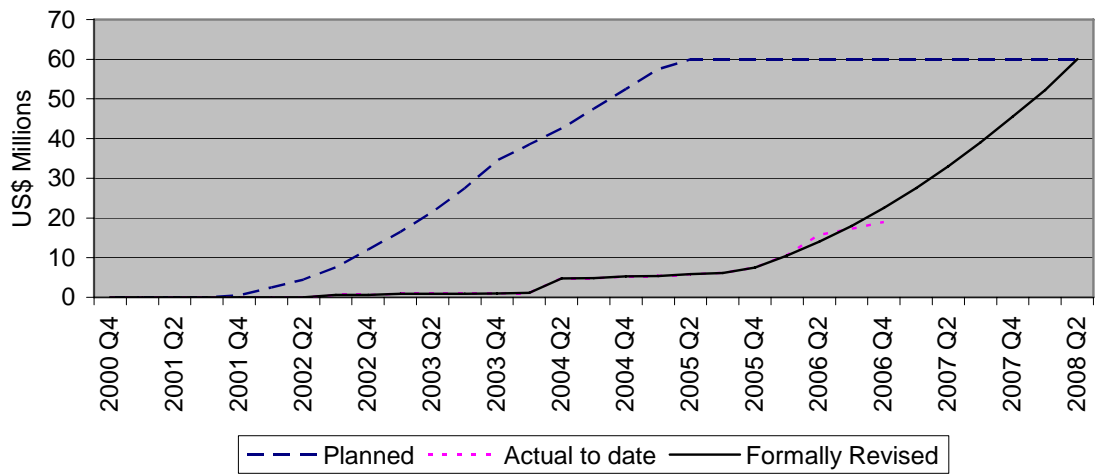
Progress toward achieving development objective(s):

Excellent improvement is being made, especially in the area of wildfire management. Good progress has also been made on improving the enabling environment and on the associated administrative reforms, especially given the continued dialogue and technical assistance, which has helped the Forestry Agency in its decision making process as it copes with an ever changing legal and institutional framework. Illegal logging (a bane to private investment in the sector) and improved governance have become priority issues, as demonstrated by the government's: (a) allocation of specific funds to support log-tracking and reporting on chain-of-custody; and (b) hosting of a regional Forest Law Enforcement and Governance (ENA-FLEG) Ministerial Conference. The demonstration/multiplying effect of the project has a good chance of being met now that project's part B is off to a good start and four private sector sub-projects have been approved for financing.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45520	Effective	60.00	19.00	41.00	0.00





Project Name (ID): Regional Fiscal Technical Assistance (P058587)

Country: Russian Federation

Board Approval Date : 12/22/1999

Midterm Review Date : 02/14/2003

Closing Date : 12/31/2008

Loan/Credit/Grant Number : IBRD-45280, JPN-25361, JPN-51789

Sector(s): Central government administration (50%), Sub-national government administration (42%), Law and justice (8%)

Theme(s): Tax policy and administration (P), Debt management and fiscal sustainability (P), Municipal finance (P), Law reform (P), Legal institutions for a market economy (P)

Project Development Objectives:

The objectives are to build institutional capacity to advance the reform of inter-governmental fiscal relations and improve fiscal performance at the regional and municipal level.

Progress toward achieving development objective(s):

The closing date was extended for three years until December 31, 2008 in response to substantial additional own resources allocated by the government to extend project activities.

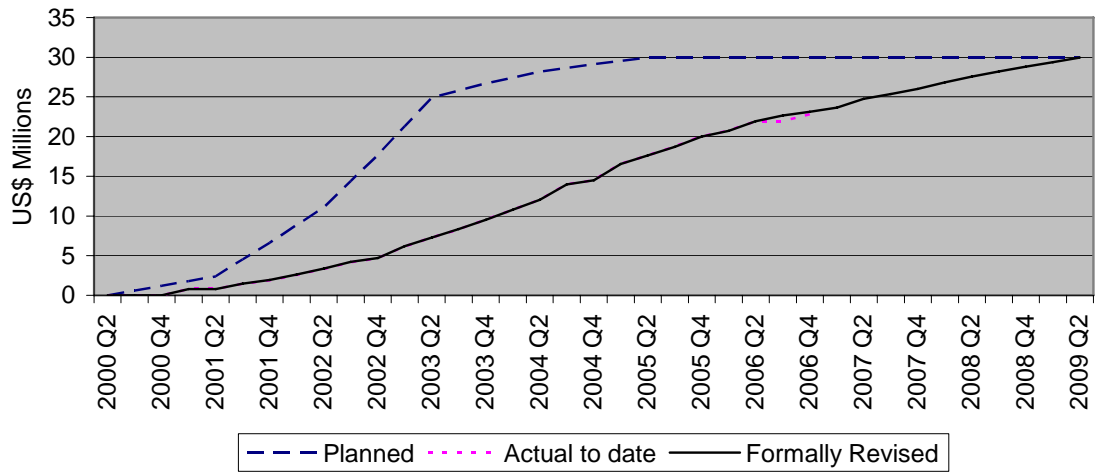
The major achievements to date include the development of a central system for monitoring sub-national public finance, an enhanced regulatory framework for inter-governmental finance including several key laws on municipal reform, revenue and expenditure assignments, insolvency of sub-national budgets, improved sub-national fiscal performance in many regions, and improved fiscal management capacity at the sub-national level.

Work is on-going on, inter alia, amendments to introduce elements of performance-based budgeting in the Budget Code and the design of conditional federal transfer windows. Capacity building continues to take place in a wide range of areas, including debt management and public procurement at the sub-national level.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45280	Effective	30.00	22.80	7.20	0.00
JPN-25361	Closed	0.48	0.48	0.00	0.00
JPN-51789	Effective	1.25	0.74	0.52	0.00





Project Name (ID): Municipal Heating (P038551)

Country: Russian Federation

Board Approval Date : 03/27/2001

Midterm Review Date : 03/20/2006

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IBRD-46010, JPN-25554

Sector(s): District heating and energy efficiency services (97%), Central government administration (3%)

Theme(s): Other urban development (P), Municipal finance (P), Access to urban services and housing (P), Other financial and private sector development (S), Climate change (S)

Project Development Objectives:

The overall objective of the Municipal Heating Project is to alleviate the financial burden on municipal governments associated with the supply of district heating to the local population.

Progress toward achieving development objective(s):

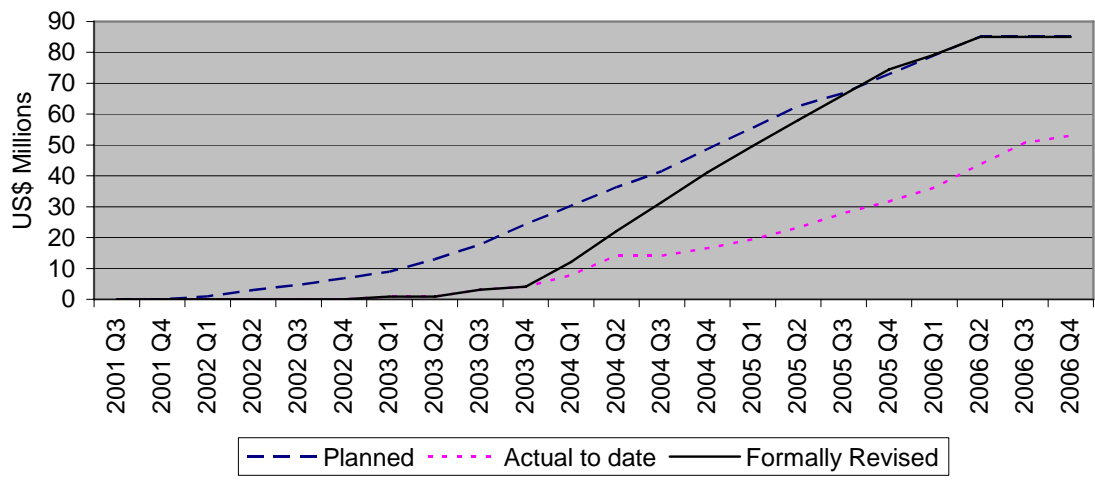
The project is moving towards meeting its development objective. All the participating cities and district heating companies have achieved the intermediate outcome indicators of greater than 85% collection ratio and 100% cash collections.

Progress towards the final project development indicators is also good. Although all participating cities and district heating companies have improved their performance, some of the heating companies and cities still have some way to go until the targets are completely fulfilled.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46010	Effective	85.00	53.04	31.96	0.00
JPN-25554	Closed	0.68	0.67	0.00	0.01





Project Name (ID): Tuberculosis and AIDS Control (P064237)

Country: Russian Federation

Board Approval Date : 04/03/2003

Midterm Review Date : 10/16/2006

Closing Date : 12/31/2008

Loan/Credit/Grant Number : IBRD-46870

Sector(s): Health (100%)

Theme(s): Other communicable diseases (P), HIV/AIDS (P), Health system performance (S), Population and reproductive health (S), Law reform (S)

Project Development Objectives:

The objectives are to (a) contain the growth of the epidemics of tuberculosis and HIV/AIDS in the short term and (b) to halt and reverse the courses of these epidemics in the medium term.

Progress toward achieving development objective(s):

The measures adopted over the last 12-months to accelerate the implementation of the project are starting to generate the intended results. In particular, a facilitating environment is now in place as a result of the resolution of some legal issues at the Ministry of Finance that in the past delayed implementation. The loan agreement for the project was amended to better align institutional arrangements for project implementation with the administrative reforms in the Russian Government that took place in 2004. In addition, over the last 6-months 78 participation agreements under the Project have been signed with Regional Governments out of an expected total of 86 Regions. It is also noteworthy to mention that the Needs Assessments at the federal and regional level under the TB/AIDS Control Project were undertaken and finalized in 2005. After reaching agreement with the Ministry of Health and Social Development, the consolidated reports of the needs assessment for the participating regions have been posted at the website of the World Bank in the Russian Federation. The results of the needs assessments are not only guiding the implementation of the World Bank-financed TB/AIDS Control Project, both in the civilian sector and the prison system, but are also helping jump start the implementation of the Global Fund-financed projects.

The Ministry of Health and Social Development approved and adopted countrywide new protocols for TB diagnosis, treatment and surveillance, consistent with evidence-based approaches that are agreed with the WHO.

Protocols for diagnostics, treatment, epidemiological and behavioral surveillance, in line with Russian legislation and consistent with evidence-based approaches that are endorsed by the WHO and UNAIDS have been prepared and submitted for approval of the MOHSD.

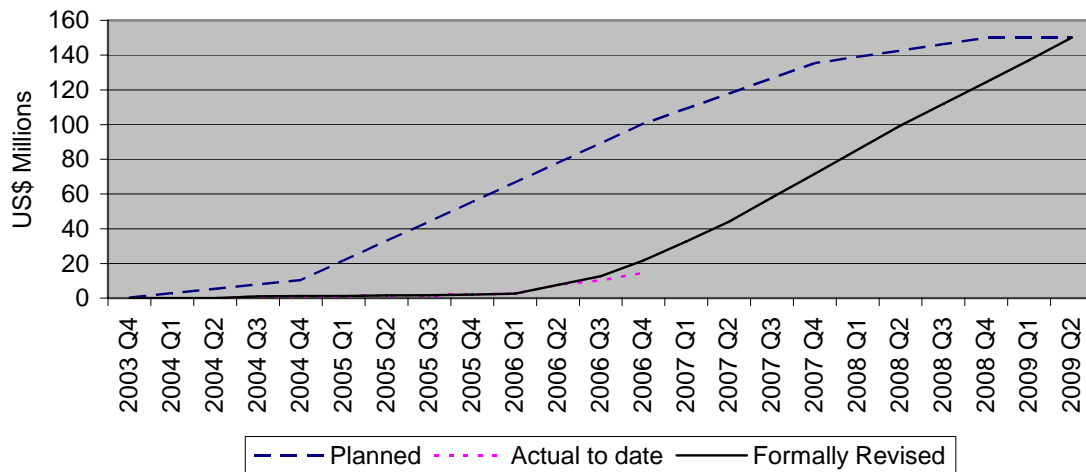


The new normative framework that is being established by the adoption of new diagnostic and treatment guidelines and protocols are helping redefine the medical paradigm to deal with TB and HIV/AIDS in the Russian Federation.

Procurement of goods and services is proceeding well, supplying needed laboratory equipment and other medical supplies to scale up the TB and HIV/AIDS Programs nationwide.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46870	Effective	150.00	14.65	135.35	0.00



Project Name (ID): Northern Restructuring (P064238)

Country: Russian Federation

Board Approval Date : 06/07/2001

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-46110

Sector(s): Other social services (88%), Central government administration (8%), Sub-national government administration (4%)

Theme(s): Municipal governance and institution building (P), Improving labor markets (P), Social analysis and monitoring (S), Other economic management (S)

Project Development Objectives:

The objective is to test a set of actions to assist municipalities in the Russian Federation to cope with the effects of economic transition by providing out-migration assistance and developing strategies to draw on potential efficiency gains from a decreased population in these municipalities.

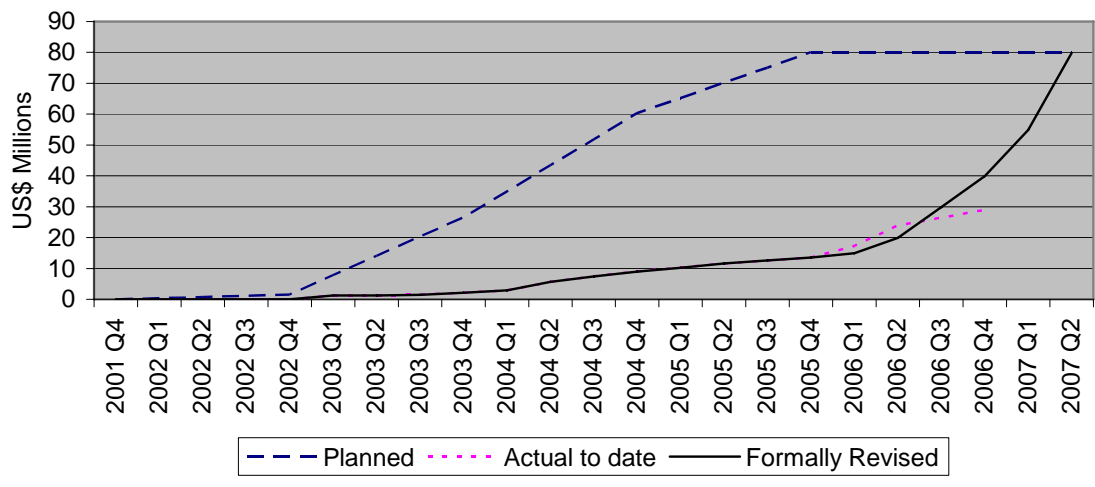
Progress toward achieving development objective(s):

Significant progress has been made to achieve development objectives. The restructuring and migration assistance schemes are fully operational. They include: (a) a broad category of eligible participants for out-migration support; (b) an equitable and transparent migration assistance scheme using housing certificates and based on voluntary participation; and, (c) a set of downsizing and restructuring measures to generate fiscal savings. The project has supported institutional improvements in design of migration support under federal law (FZ125). However, recent administrative reform reassigned fiscal and service delivery responsibilities to the regional level of government that has to be more actively involved in the project to ensure sustainability of results.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46110	Effective	80.00	28.97	51.03	0.00





Project Name (ID): Treasury Development (P064508)

Country: Russian Federation

Board Approval Date : 06/06/2002

Midterm Review Date : 03/15/2007

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IBRD-46620, JPN-25812

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

Theme(s): Public expenditure, financial management, and procurement (P), Other rule of law (S)

Project Development Objectives:

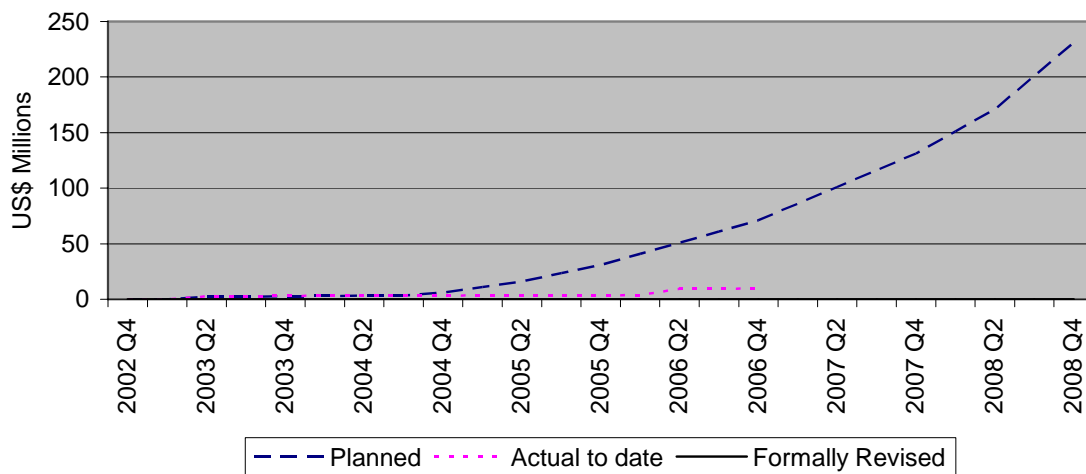
The objectives are to ensure conditions for effective implementation of the budget and enable the Ministry of Finance to maintain budget oversight; and to provide a transparent system of accounting that shows the utilization of the financial resources of the government and enables management and audit of these resources.

Progress toward achieving development objective(s):

The project continues to achieve progress toward the development objectives. Spending units, revenue transactions and receipts are routed through the treasury system. This is more rapid progress than envisaged in project targets. Revisions on budget classification system and chart of accounts were completed in 2006 as planned. The technology platform for the new treasury system has been acquired and the software is being configured. Pilot implementation is expected in 2007.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46620	Effective	231.00	9.89	221.11	0.00
JPN-25812	Closed	0.50	0.50	0.00	0.00



Project Name (ID): Tax Administration Modernization 2 (P066155)
Country: Russian Federation
Board Approval Date : 10/24/2002
Midterm Review Date : 02/15/2007
Closing Date : 06/30/2008
Loan/Credit/Grant Number : IBRD-46800, JPN-26119
Sector(s): Central government administration (100%)
Theme(s): Tax policy and administration (P), Administrative and civil service reform (P), Law reform (S), Legal institutions for a market economy (S), Other accountability/anti-corruption (S)

Project Development Objectives:

The objective is to carry out a systematic reform and modernization of the tax administration of the Russian Federation, so as to: (a) facilitate voluntary compliance, (b) increase administrative efficiency, (c) strengthen enforcement capacity, (d) enhance professional integrity and skills, and (e) improve tax legislation and fairness in the implementation of tax laws.

Progress toward achieving development objective(s):

The project activities completed thus far have substantially contributed to achieving the development objectives of the project.

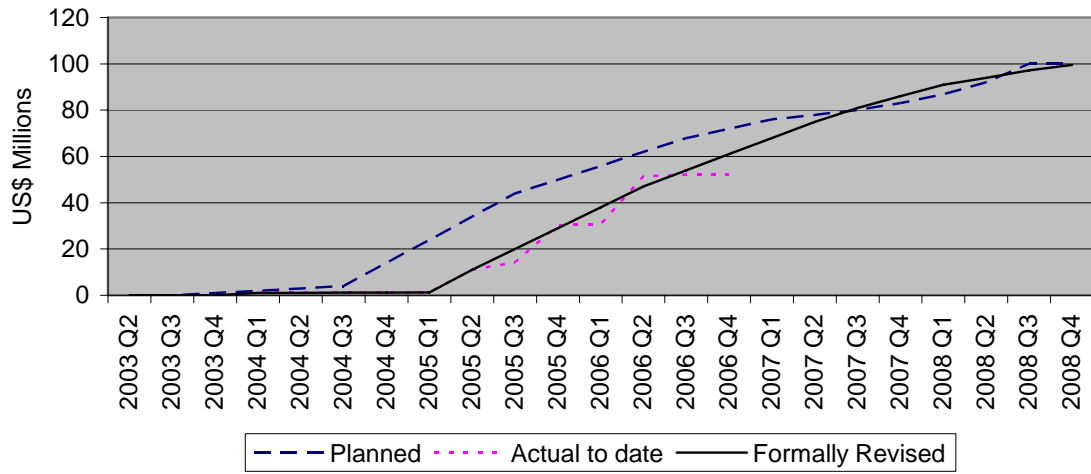
In late November 2005, a system of data processing centers across the Russian Federation became operational and the software for the unified tax payer register is now operational. These achievements have already had some positive impact on the administrative efficiency of tax administration in Russia.

Technical assistance on tax policy development is currently focused on VAT administration and transfer pricing as it relates to the Tax Code. Additional progress and an acceleration of activities is needed, however, to strengthen human resource management, training and a few other institutional development issue which are aimed at promoting professional integrity and skills in the tax administration.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46800	Effective	100.00	52.36	47.26	0.38
JPN-26119	Closed	1.04	1.04	0.00	0.01





Project Name (ID): St. Petersburg Economic Development (P069063)

Country: Russian Federation

Board Approval Date : 05/15/2003

Midterm Review Date : 02/05/2007

Closing Date : 08/31/2009

Loan/Credit/Grant Number : IBRD-46940

Sector(s): General industry and trade (30%), Other social services (30%), Housing finance and real estate markets (20%), Sub-national government administration (20%)

Theme(s): Municipal governance and institution building (P), Municipal finance (P), Legal institutions for a market economy (P), Small and medium enterprise support (P), Land administration and management (S)

Project Development Objectives:

The objectives are to: (a) improve the business climate in St. Petersburg, stimulate the expansion of private sector participation in the local economy, and promote development of land and real estate markets; (b) strengthen St. Petersburg's financial management and ensure the long-term stability of its fiscal revenue base; and (c) enable St. Petersburg to preserve its position as one of Russia's top centers of culture and the arts.

Progress toward achieving development objective(s):

Progress toward achieving the project development objectives is substantial. As a result of stimulating the private sector participation in the city's economy, a number of new Small and Medium Enterprises registered in St. Petersburg has more than doubled since 2002, and the total amount of the public contracts increased by 6.37 billion rubles. The number of private transactions for land and real estate has significantly increased as well. Four hundred forty-two of the city-owned premises were sold via auctions in 2005 with 1,421 forecasted for 2006. The city's fiscal situation is healthy. Over the past years it has continuously complied within quite conservative prudential norms. St. Petersburg continues to attract an increasing number of tourists, 20% more than in 2002.

However, the first tranche of the adjustment component has not been disbursed despite the fact that the city of St. Petersburg met all conditions. The government plans to request reallocation of the first tranche for the rehabilitation of cultural assets. The reform program supported by the second tranche is underway.

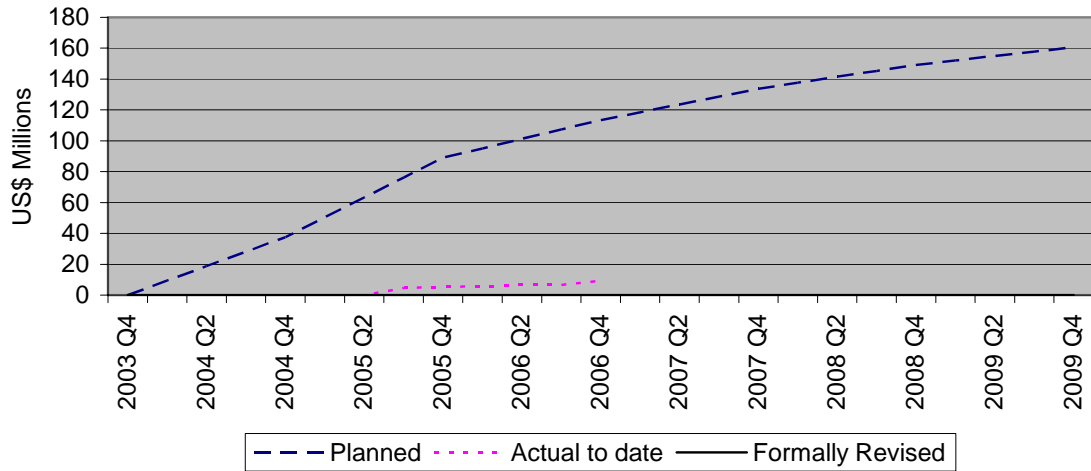
Also, good progress has been made in implementation of the cultural assets rehabilitation sub-component: rehabilitation and restoration works in the State Russian Museum, Peter and Paul Fortress Museum, State Shostakovich Philharmonic Academy, Tsarskoye Selo Palace State Museum, and Pavlovsk Palace State Museum have been started; design contracts are being implemented for the State Hermitage Museum and Mariinsky Theater. Under the sub-component, 20 small cultural institutions located in St.



Petersburg received grants in the total amount of US\$5.07 aimed to improve their attractiveness, conditions, and safety.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46940	Effective	161.10	9.32	151.78	0.00



Project Name (ID): Customs Development (P072960)

Country: Russian Federation

Board Approval Date : 04/22/2003

Midterm Review Date : 06/01/2006

Closing Date : 06/30/2009

Loan/Credit/Grant Number : IBRD-46890

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

Theme(s): Tax policy and administration (P), Trade facilitation and market access (P), Administrative and civil service reform (P), Legal institutions for a market economy (S), Standards and financial reporting (S)

Project Development Objectives:

The objective is to reform and modernize customs administration in the Russian Federation by: (a) promoting internationally-acceptable practices for processing of international trade flows by customs; and (b) increasing taxpayer compliance with the Customs Code and ensure uniformity in its application.

Progress toward achieving development objective(s):

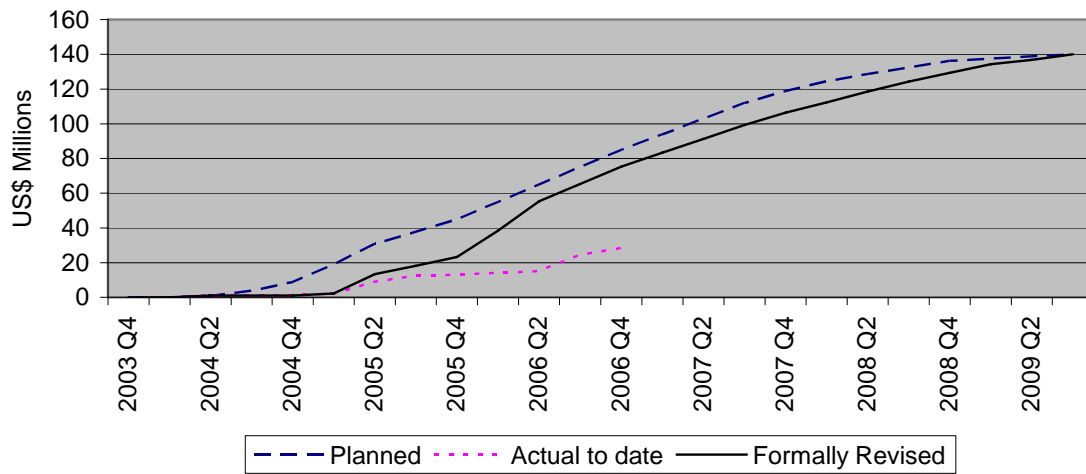
Project activities undertaken so far as well as performance indicators data suggest that the project is highly likely to reach its development objectives. The model of customs control and clearance processes "as is" has been developed and tested in one post in Moscow, while modeling of improved customs control and clearance processes is underway. Application of risk-based approaches has already led to a sharp decrease in the share of declarations selected for physical inspection at both inland and border customs posts, and the targets for the related performance indicator have already been achieved.

Significant progress has also been made in improving compliance, reflecting in part improved post audit practices. Work is on-going on improving customs valuation and introducing modern customs control and clearance processes.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46890	Effective	140.00	28.44	111.56	0.00





Project Name (ID): e-Learning Support (APL #1) (P075387)

Country: Russian Federation

Board Approval Date : 03/02/2004

Midterm Review Date : 11/01/2006

Closing Date : 06/30/2008

Loan/Credit/Grant Number : IBRD-47260

Sector(s): Central government administration (30%), Vocational training (30%),
Secondary education (20%), Primary education (20%)

Theme(s): Education for the knowledge economy (P)

Project Development Objectives:

The objective is to assist in the implementation of Russia's education modernization program aimed to re-orient the educational system to the global information society.

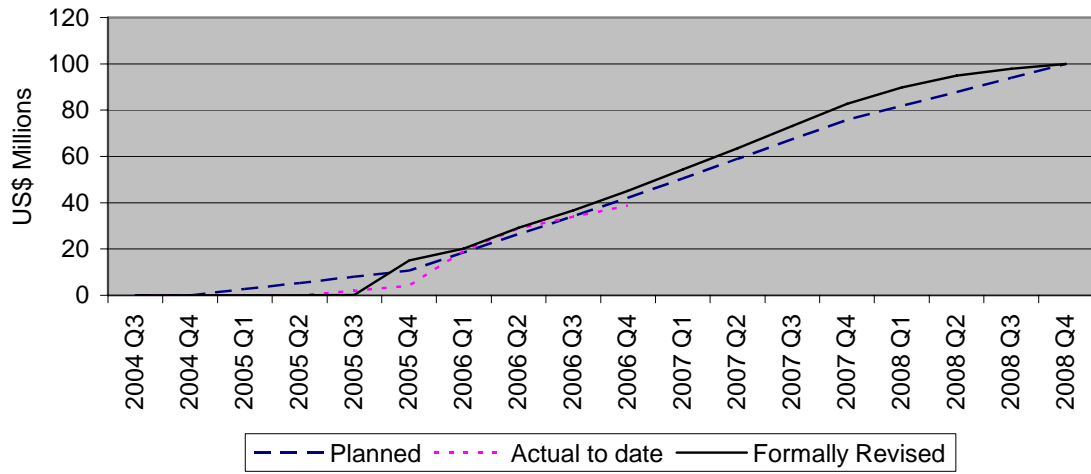
Progress toward achieving development objective(s):

The project design is unchanged, and implementation is satisfactory. The project got an award from the Russian education community as the best project in education in 2005. All the main project activities were launched, both on Federal and regional levels. The network of 232 resource centers was created in seven project regions and now is fully operational. All types of new generation teaching and learning materials enhanced by information communication technology (ICT) and planned in the project are under development. The traditional in-service teacher training system was modified in the project regions to provide an efficient on-going support to teachers' professional development. Teacher training programs have started in the regions. Schools developed plans to improve ICT use. Distance education programs for students from remote areas are under development. Financial and methodological support was given to local educational initiatives in the area of ICT. All schools in project regions have been provided with education management information system (EMIS), with every headmaster having received a laptop with EMIS and training.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47260	Effective	100.00	38.80	61.20	0.00





Project Name (ID): Cadastre Development (P078420)

Country: Russian Federation

Board Approval Date : 07/05/2005

Midterm Review Date : 07/05/2008

Closing Date : 06/30/2010

Loan/Credit/Grant Number : IBRD-48000

Sector(s): Central government administration (98%), Law and justice (1%), Housing finance and real estate markets (1%)

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

Project Development Objectives:

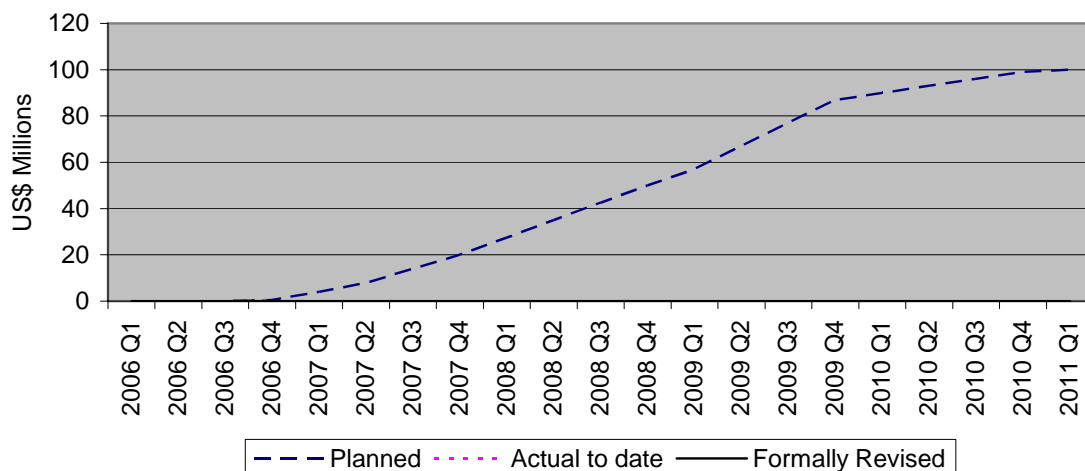
The project development objective is to improve the information flow and rationalize normative and operational procedures for the Unified State Cadastre of Immovable Property so as to facilitate development of real property markets, improve the quality of services provided by the offices of the Cadastre Agency, and strengthen linkages with other organizations.

Progress toward achieving development objective(s):

The project became effective less than a year ago and is making strong progress and implementation is proceeding satisfactorily. The piloting of the new automated cadastre system in the three pilot regions is progressing well including the installation of hardware and software, training for new workflow procedures, and data conversion. Renovation of several offices is on-going in preparation for rolling out the new system.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48000	Effective	100.00	0.50	99.50	0.00



Project Name (ID): Kazan Municipal Development (P082018)

Country: Russian Federation

Board Approval Date : 02/24/2005

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-47660

Sector(s): Sub-national government administration (50%), Other social services (20%), Housing construction (10%), District heating and energy efficiency services (10%), General water, sanitation and flood protection (10%)

Theme(s): Municipal finance (P), Social safety nets (P), Other urban development (S), Public expenditure, financial management, and procurement (S), Regulation and competition policy (S)

Project Development Objectives:

The objective is to: (a) improve the overall fiscal situation in the City; (b) improve the municipal budget and asset management; (c) provide more efficient delivery of housing, utility, and social services to the population.

Progress toward achieving development objective(s):

The loan became effective on July 1, 2005, and the first tranche of the loan was disbursed on August 11, 2005. However, due to technical issues between Tatarstan and Kazan authorities, the proceeds of the first tranche were allocated to the city budget only in October. This delay affected the implementation of a number of the key matrix conditions, most notably those related to the city budget. The project went relatively smooth through the change of the top leadership in the city in October. The new team in the City had subscribed to the objectives of the project; however, it needed some time to review the complex project and mobilize itself to resume implementation. The work on the second tranche conditions resumed in earnest in early 2006. However, the overall progress on the meeting the second tranche conditions have been uneven with many conditions still pending and some delayed. These include, but are not limited to, finalization of the city treasury arrangements, institutional follow-up to the city financial management system, implementation of the targeted poverty benefit, selection of a private operator for the city's water and wastewater facility.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47660	Effective	125.00	50.00	75.00	0.00



Project Name (ID): Hydrometeorological System Modernization (P082239)

Country: Russian Federation

Board Approval Date : 03/17/2005

Midterm Review Date : 03/17/2008

Closing Date : 09/30/2010

Loan/Credit/Grant Number : IBRD-47690

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

Theme(s): Natural disaster management (P), Water resources management (S),
Administrative and civil service reform (S)

Project Development Objectives:

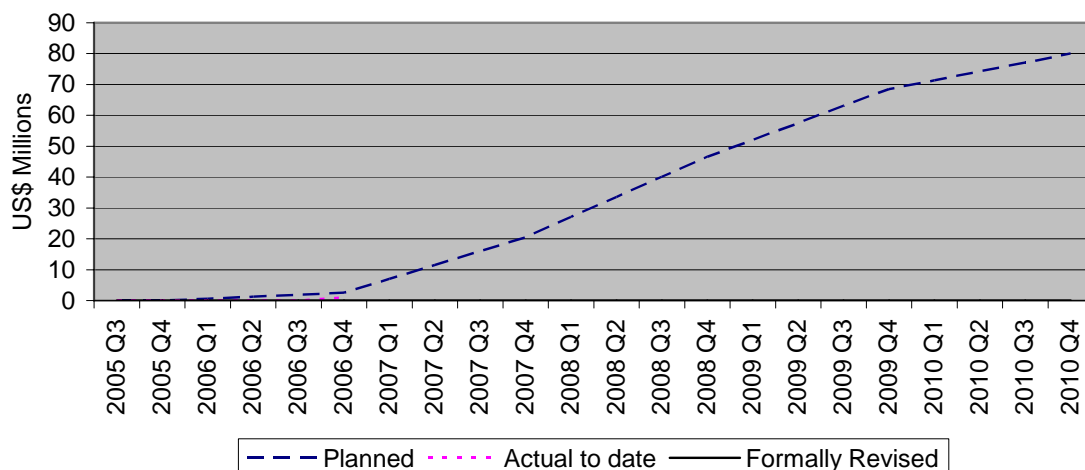
The main development objective of the project is to increase the accuracy of forecasts provided to the Russian people and economy by modernizing key elements of RosHydromet's technical base and strengthening its institutional arrangements. This would enable enterprise and household adjustments to protect lives and support economic growth.

Progress toward achieving development objective(s):

Project activities have been launched, though it is too soon to report on outcome results. The quality of weather forecasting will be improved through the procurement of a supercomputer and the fine-tuning the design of observation networks. Similar improvements are expected in forecasting flash floods through the on-going design of hydrological networks in three pilot river basins.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47690	Effective	80.00	1.00	79.00	0.00



Project Name (ID): Registration (P093050)

Country: Russian Federation

Board Approval Date : 06/13/2006

Closing Date : 05/31/2013

Loan/Credit/Grant Number : IBRD-48260

Sector(s): Sub-national government administration (56%), Law and justice (37%),
General public administration (7%)

Theme(s): Personal and property rights (P), Land administration and management (P),
Administrative and civil service reform (S), Legal institutions for a market economy (S),
Municipal governance and institution building (S)

Project Development Objectives:

The project development objective is to simplify and improve procedures for the registration of rights in immovable property and to improve the information flow from the registry to users so as to facilitate the development of real property markets, improve the quality of services provided, and strengthen the linkages with other organizations dealing with real property.

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-48260	Not Effective	50.00	0.00	50.00	0.00

