

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

Operations Policy and Country Services
SEPTEMBER 19, 2006



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

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: Serbia and Montenegro

Project Name (ID): Employment Promotion (LIL) (P069374)

Country: Serbia and Montenegro

Board Approval Date : 05/05/2003

Midterm Review Date : 04/19/2005

Closing Date : 12/31/2006

Loan/Credit/Grant Number : DFID-51870, IDA-37530

Sector(s): Other social services (100%)

Theme(s): Improving labor markets (P), Social safety nets (P)

Project Development Objectives:

The objective is to improve the cost-effectiveness and efficiency of labor programs.

Progress toward achieving development objective(s):

All the project activities foreseen at the onset of project preparation have been completed, and development objectives reached, by the original project closure date of June 30, 2006. Some additional activities were added, such as Cluster Economic Development, a feasibility study for the Studencia Health Center, and some successful activities were replicated beyond the pilot regions, such as Transition Centers in Bor, Majdanpek and Pirot. In particular, 10,600 employees participated in various counseling and job search assistance programs, and 1,136 employees received training and retraining. In total, 19 manuals and guidelines on implementation of improved employment services, such as job clubs, job fairs, employer contact services, small business assistance services, cluster economic development, basic business skills, business incubator operations, etc. were designed, printed, and delivered to the Ministry of Labor, Employment and Social Policy (MoLESP) and National Employment Service (NES) staff.

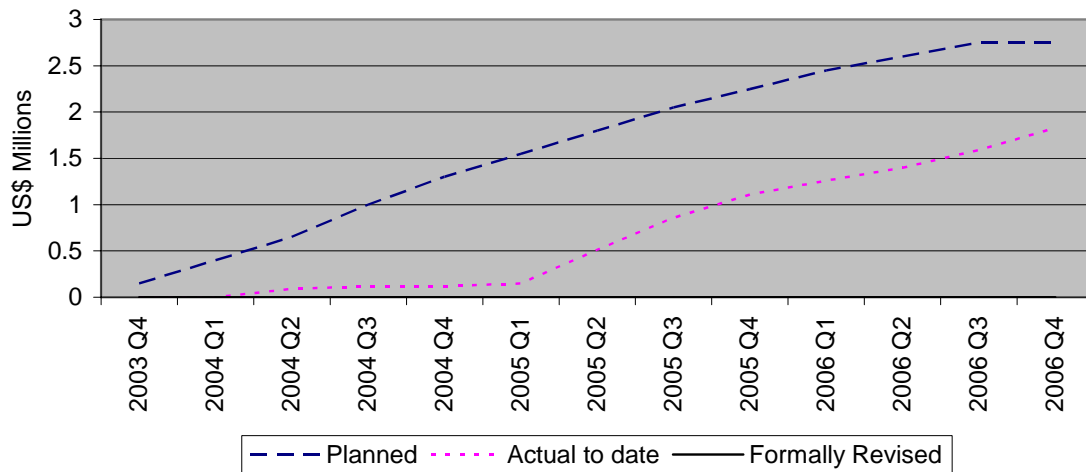
A learning needs analysis for the MoLESP and NES staff was also completed and the training center in MoLESP was established; the development strategy for the staff training was completed; nine training manuals were prepared and printed; and 71 participants from MoLESP and NES together received around 2,500 person-hours of training. Other activities included job and vacancy fairs (6 fairs were conducted); virtual enterprises (4 units were established); the launch of the performance information and management system; three waves of tracer surveys of redundant workers; qualitative assessment and measurement of gross effects of Active Labor Market Programs (ALMPs) conducted, and so on.

The project was extended until December 31, 2006 to replicate promising initiatives and to successfully disseminate knowledge acquired and lessons learned using funds from project savings or government funds. In particular, monitoring and evaluation of the impact of improved employment services is being launched; four new local economic development studies have been commissioned; a business incubator is being opened in Pancevo, as well as four new virtual enterprises, eight new job clubs and six new vacancy fairs.



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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
DFID-51870	Effective	1.75	1.22	0.53	0.00
IDA-37530	Effective	2.94	1.84	1.11	0.00



Project Name (ID): Trade and Transport Facilitation in South East Europe (TTFSE) (P074090)

Country: Serbia and Montenegro

Board Approval Date : 06/04/2002

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IDA-36510

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

Theme(s): Regional integration (P), Infrastructure services for private sector development (P), Administrative and civil service reform (P), Trade facilitation and market access (S)

Project Development Objectives:

The project development objectives are to: (a) reduce non-tariff costs to trade and transport; and (b) reduce smuggling and corruption at border crossings.

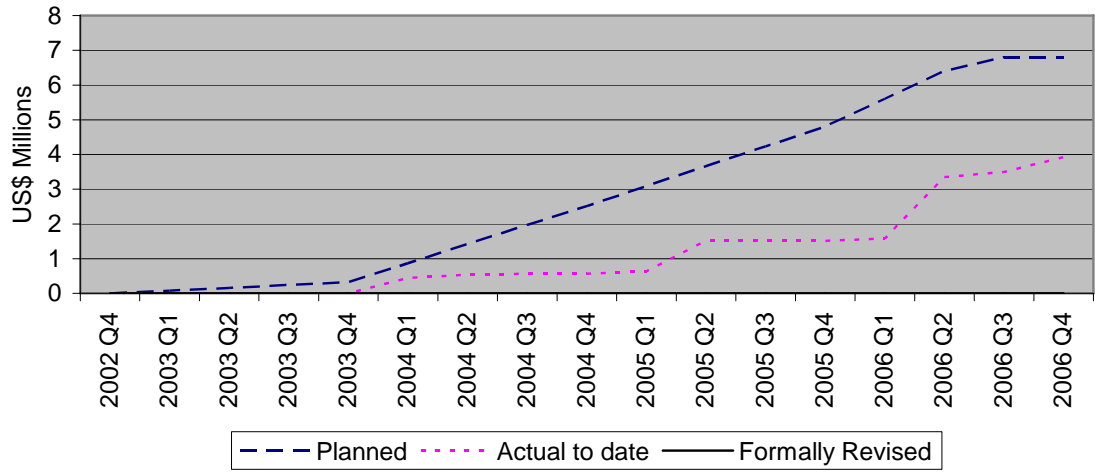
Progress toward achieving development objective(s):

The Customs Administration of Serbia and the Customs Administration of Montenegro continued their program of structural transformation, which includes inter alia an updated legal framework, revised procedures, electronic submission of documents, a new IT platform, better intelligence gathering, cooperation with the business sector and enhanced leadership throughout the administration. Strong progress has been recorded at pilot clearance facilities in both countries with a reduction of 68 percent of clearance time and border entry time at pilot sites since project start. Those facilities are the busiest in Serbia and Montenegro, and their impact on trade is correspondingly significant. A user survey on customs in both countries carried out in June 2006 confirmed the significant progress achieved to date, as perceived by users, including an overall decline in informal payments. It, nonetheless, indicated that further work is required in educating users, since, frequently, informal payments are initiated by the private sector to accelerate processing.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36510	Effective	8.08	3.92	4.13	0.00





Project Name (ID): Structural Adjustment Credit 2 (SAC 2) (Montenegro) (P074908)

Country: Serbia and Montenegro

Board Approval Date : 09/16/2004

Closing Date : 09/30/2006

Loan/Credit/Grant Number : IDA-39830

Sector(s): Power (25%), Banking (25%), Health (20%), Central government administration (20%), Compulsory pension and unemployment insurance (10%)

Theme(s): State enterprise/bank restructuring and privatization (P), Health system performance (P), Law reform (P), Administrative and civil service reform (P), Public expenditure, financial management, and procurement (S)

Project Development Objectives:

The objective is promote growth and further fiscal consolidation by implementing key structural reforms in public administration, and in the financial, energy, pensions and health sectors.

Progress toward achieving development objective(s):

The closing date of the credit was extended twice during FY06 to June 30, 2006 and again to September 30, 2006 to allow for review of progress on specific market and pricing arrangements in the electricity sector -- the outstanding condition for second tranche disbursement. All other conditions required for the second tranche disbursement have been achieved. Macroeconomic indicators have improved and Government of Montenegro has made good progress toward strengthening the banking sector, improving the efficiency of pensions and social insurance administration and public expenditures on pharmaceuticals, and creating the foundations for a meritocratic civil service. As such, the project is likely to achieve its development objectives.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39830	Effective	18.08	9.47	9.04	0.00



Project Name (ID): Education Improvement (Serbia) (P075189)

Country: Serbia and Montenegro

Board Approval Date : 05/02/2002

Midterm Review Date : 02/23/2005

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IDA-36360

Sector(s): Primary education (32%), Secondary education (32%), Central government administration (18%), Sub-national government administration (18%)

Theme(s): Education for all (P), Decentralization (P), Social analysis and monitoring (P), Participation and civic engagement (P)

Project Development Objectives:

The objectives of the project are: (a) to build capacity and produce systematic information to help government promote effective education reform; and (b) Improve teaching and learning in schools and empower local communities to take responsibility for their schools.

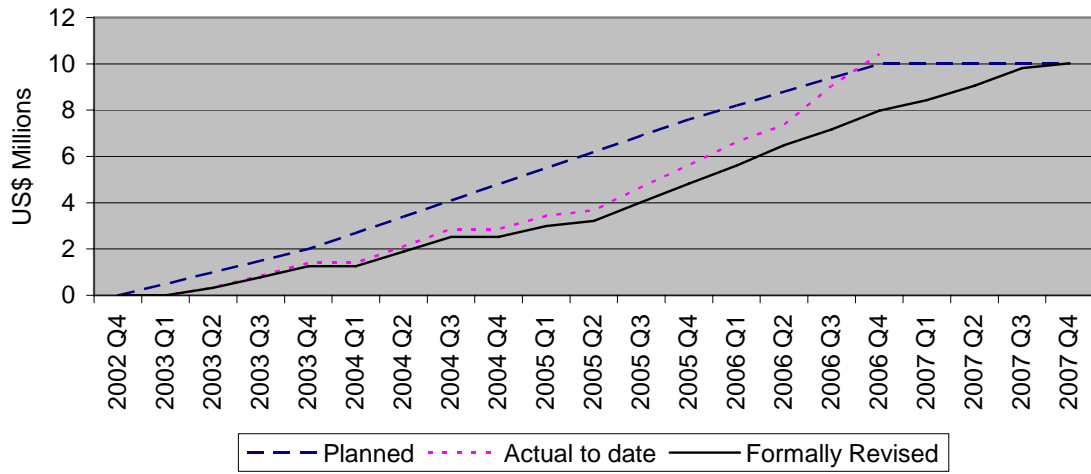
Progress toward achieving development objective(s):

Project activities have accelerated since the project's mid-term review, with all activities due to be completed by closing. Most schools have finished implementing their grants which funded significant amounts of teacher training and new learning materials. The school development planning process is now mandatory for all schools on a regular cycle. There have been successful rounds of national assessments which are providing information about school performance, and the roll-out of the information system is ready to begin in the new school year. An evaluation of the impact of the school grants is being conducted.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36360	Effective	11.76	10.38	1.26	0.00





Project Name (ID): Transport Rehabilitation (Serbia) (P075207)

Country: Serbia and Montenegro

Board Approval Date : 05/25/2004

Midterm Review Date : 01/10/2006

Closing Date : 12/31/2008

Loan/Credit/Grant Number : IDA-39090

Sector(s): Roads and highways (70%), Central government administration (25%),
General transportation (5%)

Theme(s): Administrative and civil service reform (P), Infrastructure services for private sector development (P), Non-communicable diseases and injury (P), Regional integration (S), Regulation and competition policy (S)

Project Development Objectives:

The objective is to improve the effectiveness of Serbian Road Directorate policies for road maintenance and rehabilitation through (a) the introduction of new contracting arrangements with the private sector in two pilot districts; and (b) enhance the sustainability of the use of network analysis in the selection of road rehabilitation segments.

Progress toward achieving development objective(s):

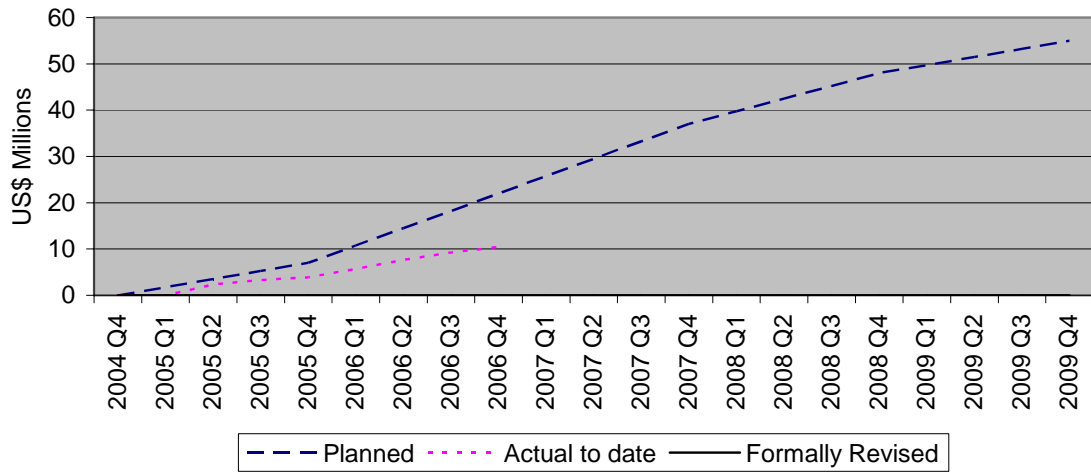
The project is slowly progressing towards meeting its development objective. Due to the lack of counterpart funding in early 2006, procurement of two contracts was suspended and then restarted once counterpart funding eventually became available. Several contracts for road repair have been awarded but have not yet been completed, so it is too early to measure progress in achieving the development objectives.

Two pilot contracts involving output-based methods for winter maintenance are being implemented and have provided early results that suggest significant reductions in resource use (salt consumption per tonne/km 60 percent lower) and unit costs in the pilot regions 34 percent lower than in other regions in Serbia.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39090	Effective	55.12	10.42	44.69	0.00





Project Name (ID): Energy Efficiency (Serbia) (P075343)

Country: Serbia and Montenegro

Board Approval Date : 03/16/2004

Midterm Review Date : 09/30/2007

Closing Date : 04/30/2010

Loan/Credit/Grant Number : IDA-38700

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

Theme(s): Climate change (P), Pollution management and environmental health (P), Access to urban services and housing (P), Public expenditure, financial management, and procurement (S)

Project Development Objectives:

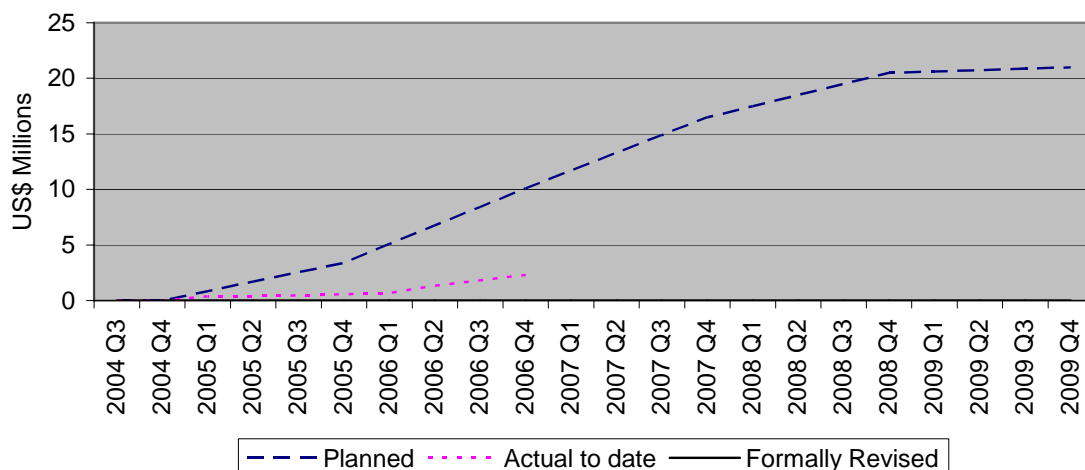
The development objective is to improve energy efficiency in heating buildings in order to improve the functional and health environment of the users and make heating more affordable. An important associated objective is to reduce the local and global environmental impact of the use of dirty fuels for heating buildings in Serbia.

Progress toward achieving development objective(s):

Good progress has been made toward achieving the project development objective. The results from the retrofitting completed at three schools and three hospitals are very encouraging, with improved comfort and reduced energy bills reported. The contract for a new energy supply system for the Clinical Center of Serbia has also become effective.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38700	Effective	20.73	2.29	18.42	0.00



Project Name (ID): Emergency Stabilization of Electricity Supply (Montenegro) (P077473)

Country: Serbia and Montenegro

Board Approval Date : 08/15/2002

Midterm Review Date : 12/31/2003

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IDA-37080

Sector(s): Power (100%)

Theme(s): Infrastructure services for private sector development (P), Access to urban services and housing (P)

Project Development Objectives:

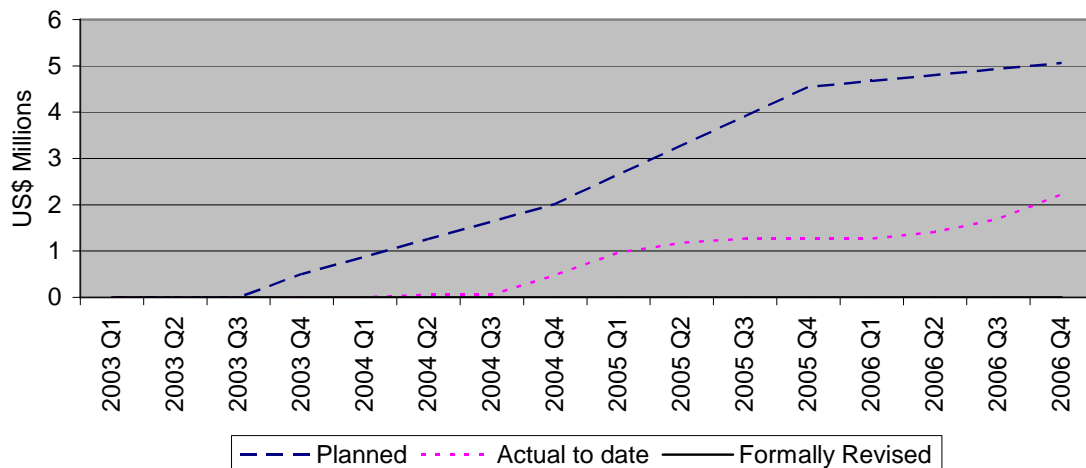
The objective is to test whether electricity consumers will reduce illegal use of electricity and increase payment rates in response to the introduction of remote metering, automated billing and demand side management in pilot areas.

Progress toward achieving development objective(s):

The credit closing date was extended to December 31, 2006. Despite earlier delays, the project is moving forward towards meeting its development objectives. Progress has been made in the last few months by the implementing agency (EPCG) in installing the consumer meters and the financial management and information system. Work is expected to be completed by the new closing date. EPCG is in the process of hiring an independent consultant for the evaluation of the learning and innovation part of the project.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37080	Effective	5.59	2.24	3.36	0.00



Project Name (ID): Health (Serbia) (P077675)
Country: Serbia and Montenegro
Board Approval Date : 05/22/2003
Midterm Review Date : 09/11/2006
Closing Date : 02/28/2008
Loan/Credit/Grant Number : IDA-37680, JPN-51137
Sector(s): Health (90%), Non-compulsory health finance (10%)
Theme(s): Health system performance (P)

Project Development Objectives:

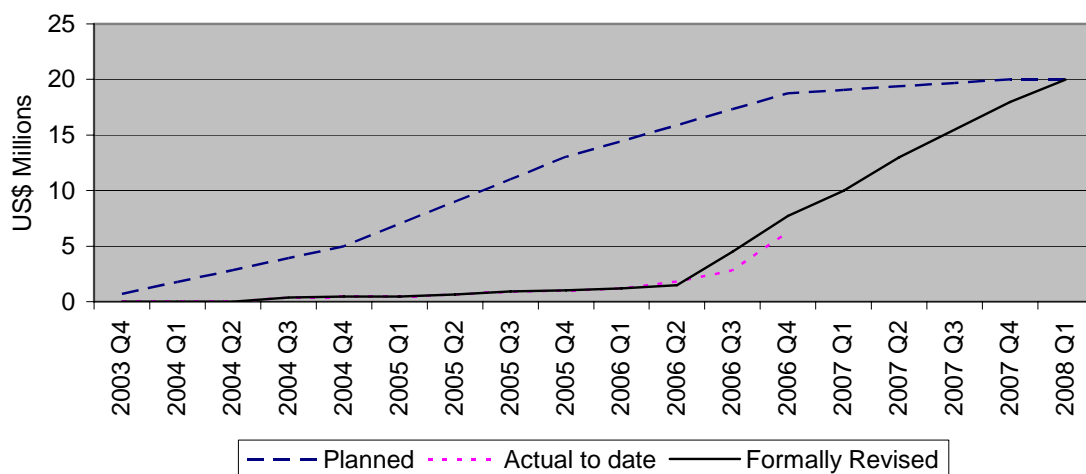
The objective is to build capacity to develop a sustainable, performance oriented health care system where providers are rewarded for quality and efficiency and where health insurance coverage ensures access to affordable and effective care.

Progress toward achieving development objective(s):

Significant progress towards achieving project development objectives has been made during FY06. The project is supporting very important reforms in key areas of the health sector, such as the financing and quality of care. The project is also contributing to building capacity of key stakeholders, which is expected to contribute to ensure medium-term sustainability. Major project activities either have been initiated or are underway. Implementation has improved substantially and is aligned to the newly agreed schedule.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37680	Effective	21.61	6.26	15.34	0.00
JPN-51137	Closed	0.50	0.40	0.00	0.10



Project Name (ID): Privatization and Restructuring of Banks and Enterprises Technical Assistance (P077732)

Country: Serbia and Montenegro

Board Approval Date : 12/10/2002

Midterm Review Date : 09/12/2005

Closing Date : 04/30/2007

Loan/Credit/Grant Number : IDA-37230, IDA-Q3340

Sector(s): General industry and trade (70%), Banking (27%), Central government administration (3%)

Theme(s): State enterprise/bank restructuring and privatization (P)

Project Development Objectives:

The objective of the Project is to provide assistance to the Borrower and the Government of Serbia to facilitate private sector-led economic growth by: (a) launching the restructuring and privatization process, and, when appropriate, bankruptcy proceedings with respect to some of the most problematic large socially-owned enterprises (SOEs) in the Republic of Serbia; and (b) supporting the implementation of comprehensive banking and insurance sector restructuring strategy aimed at the creation of a more viable financial sector

The Project was restructured during the 2006 Fiscal Year

Restructuring of the project was done in a proactive response to changing policy priorities of the government towards the continuation of enterprise and financial sector reforms. Restructuring served to accelerate project implementation, and permitted financing of additional urgently needed technical assistance in the insurance sector.

Progress toward achieving development objective(s):

The project is on track to achieve the development objective. The project has played a pivotal role in helping the government implement an ambitious enterprise and bank privatization agenda supported at the policy level by a series of adjustment and development policy credits.

Reputable financial advisors have been engaged to assist the Privatization Agency with restructuring and privatization of more than a dozen problematic socially-owned enterprises through competitive, open tender and auction process. In parallel, the Privatization Agency's institutional capacity has been enhanced to enable it to act as a bankruptcy administrator for un-sellable socially-owned enterprises.

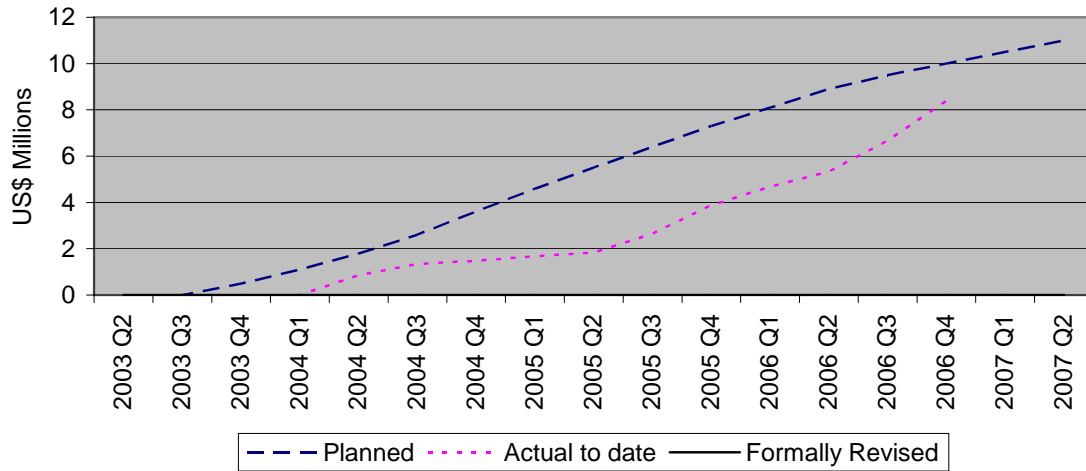
The implementation of bank restructuring and privatization program by the Deposit Insurance Agency is also going strong. As of this date, the first majority state-owned bank was sold in January 2005; two others have since been sold and three other state-



owned banks, including the largest majority state-owned bank, have been offered for sale.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37230	Effective	12.35	8.38	3.94	0.00
IDA-Q3340	Closed	1.99	0.00	0.00	1.99



Project Name (ID): Real Estate Cadastre and Registration (Serbia) (P078311)

Country: Serbia and Montenegro

Board Approval Date : 05/25/2004

Midterm Review Date : 05/15/2007

Closing Date : 10/31/2010

Loan/Credit/Grant Number : IDA-39080, JPN-52795

Sector(s): General agriculture, fishing and forestry (30%), Housing finance and real estate markets (30%), Information technology (20%), Sub-national government administration (15%), Law and justice (5%)

Theme(s): Personal and property rights (P), Land administration and management (P), Other accountability/anti-corruption (S), Other urban development (S)

Project Development Objectives:

The project seeks to build a more efficient property registration and cadastre system and increase public confidence in the immovable property market.

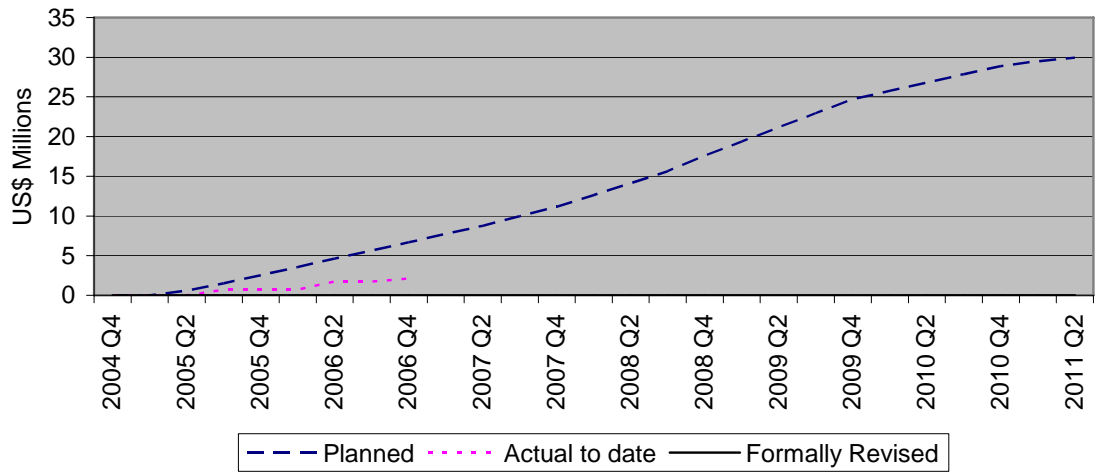
Progress toward achieving development objective(s):

The project is progressing well with all aspects of the work well underway. Evidence show increased public confidence and a positive impact on the number of transactions, including mortgages. Mortgage rates are becoming more competitive. The speed of creation of the real estate cadastre has caused some concern and this issue is being addressed through hiring extra temporary staff and relocating existing staff. There is also concern over the extent of illegal developments. Illegal developments are recorded in the system, but new transactions can not be registered. This is having a detrimental impact on meeting the development objective. The government are well aware of the problem and action is being taken to amend legislation.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39080	Effective	29.55	2.11	27.43	0.00
JPN-52795	Closed	0.38	0.37	0.00	0.01





Project Name (ID): Environmentally Sensitive Tourist Areas (Montenegro) (P079116)

Country: Serbia and Montenegro

Board Approval Date : 09/11/2003

Midterm Review Date : 03/10/2006

Closing Date : 03/31/2008

Loan/Credit/Grant Number : IDA-38230

Sector(s): Solid waste management (95%), Central government administration (5%)

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

Project Development Objectives:

The main objective of the project is to create ecological and commercially sustainable solid waste collection and disposal services in Montenegro coastal municipalities, needed to maintain a clean, environmentally attractive coastal area. This will be achieved through: (a) developing the sector's institutional, policy and regulatory framework; (b) rehabilitating two current municipal disposal sites, that operate without sanitary conditions, to function as properly designed regional sanitary landfills; (c) closing current disposal sites in an environmentally acceptable manner; (d) provision of modern collection equipment; (e) initiating a pilot recycling campaign; and (f) strengthening multi-municipal joint companies that will be created to operate the two regional solid waste disposal systems.

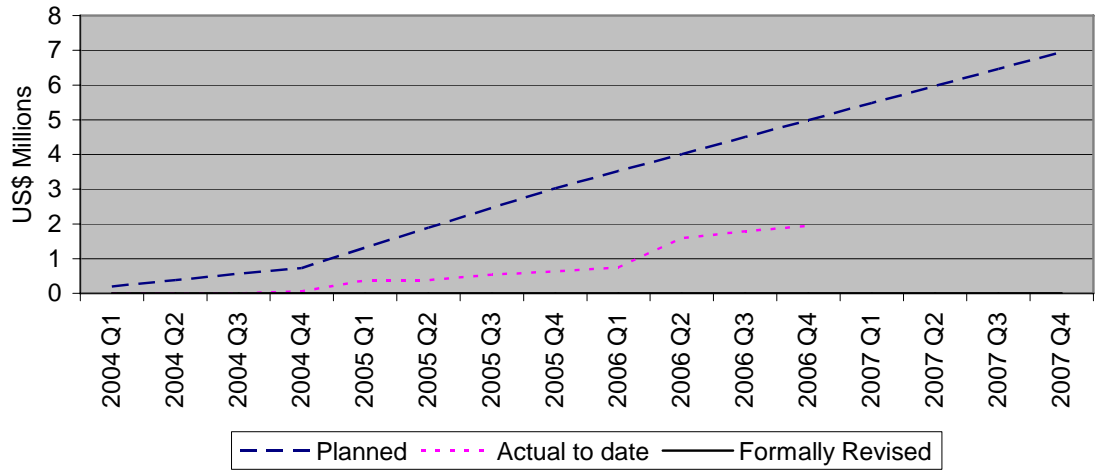
Progress toward achieving development objective(s):

Further progress in the implementation of the project has been made. The electronic falcon at the Lovanja Landfill was installed, keeping the birds away from the landfill. The new landfill company "Hije" in Ulcinj has been registered with the commercial court, and the acting manager has been appointed. The location permit for Ulcinj landfill is expected to be issued after the Environmental Assessment is finalized and approved sometime in September 2006. The recycling plant will become operational in August 2006.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38230	Effective	7.35	1.93	5.41	0.00





Project Name (ID): Healthcare System Improvement (Montenegro) (P082223)

Country: Serbia and Montenegro

Board Approval Date : 06/08/2004

Midterm Review Date : 10/31/2006

Closing Date : 02/28/2009

Loan/Credit/Grant Number : IDA-39180, JPN-52794

Sector(s): Health (55%), Central government administration (30%), Compulsory health finance (10%), Non-compulsory health finance (5%)

Theme(s): Health system performance (P), Administrative and civil service reform (P), Other accountability/anti-corruption (S), Non-communicable diseases and injury (S)

Project Development Objectives:

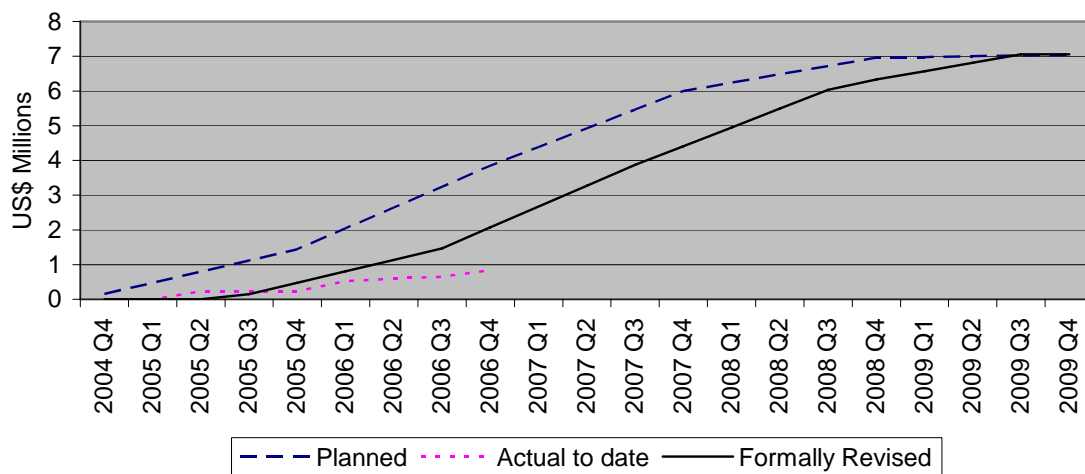
The objective is to put in place the first phase of steps towards reform of the health system in Montenegro, giving priority to (a) increasing capacity for policy, planning and regulation; (b) stabilizing health financing; and (c) improving primary health care service delivery.

Progress toward achieving development objective(s):

Overall, progress towards achieving development objectives has been modest. Implementation has not been expected as planned despite some progress made in the areas of legislative reform, registration of the insured in the capital city of Montenegro and containment of pharmaceutical costs. The main obstacles to faster implementation are related to disagreements among the main stakeholders in the government.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39180	Effective	7.20	0.84	6.37	0.00
JPN-52794	Closed	0.45	0.39	0.00	0.06



Project Name (ID): Education Reform (Montenegro) (P084597)

Country: Serbia and Montenegro

Board Approval Date : 03/31/2005

Midterm Review Date : 09/15/2007

Closing Date : 12/31/2009

Loan/Credit/Grant Number : IDA-40480, JPN-53327

Sector(s): Primary education (55%), Secondary education (25%), Central government administration (15%), Sub-national government administration (5%)

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

Project Development Objectives:

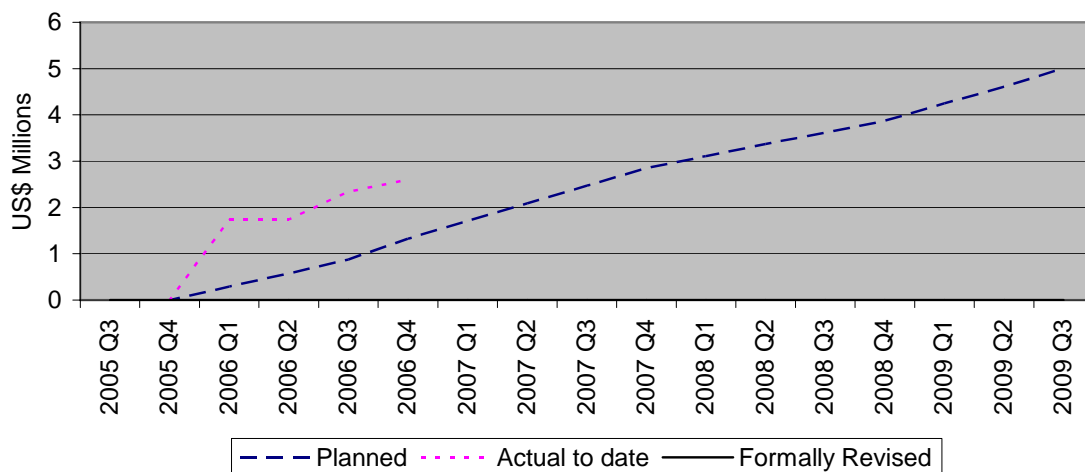
The objective is to strengthen the capacity of the education system to make continuous improvements, especially in the quality of teaching and learning in schools and in the efficient use of budgetary resources.

Progress toward achieving development objective(s):

Project progress has been excellent in the first year of implementation, with two rounds of schools introducing the reform package. Teacher training programs are highly effective in giving teachers the skills and knowledge they need.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40480	Effective	4.85	2.59	2.26	0.00
JPN-53327	Closed	0.38	0.29	0.00	0.09



Project Name (ID): Danube River Enterprise Pollution Reduction GEF Project (Serbia)
(P084604)

Country: Serbia and Montenegro

Board Approval Date : 05/12/2005

Midterm Review Date : 02/15/2008

Closing Date : 03/31/2010

Loan/Credit/Grant Number : MULT-52513, MULT-54908

Sector(s): General agriculture, fishing and forestry (40%), Central government administration (30%), Agricultural extension and research (20%), Agro-industry (10%)

Theme(s): Pollution management and environmental health (P), Environmental policies and institutions (S), Rural policies and institutions (S)

Project Development Objectives:

The project development objective is that European Union acquis compliant measures for reducing agricultural nutrient pollution in the Danube River are adopted in selected Republic of Serbia enterprises. The global development objective is to reduce nutrient flows into water bodies connected to the Danube River from selected Republic of Serbia enterprises.

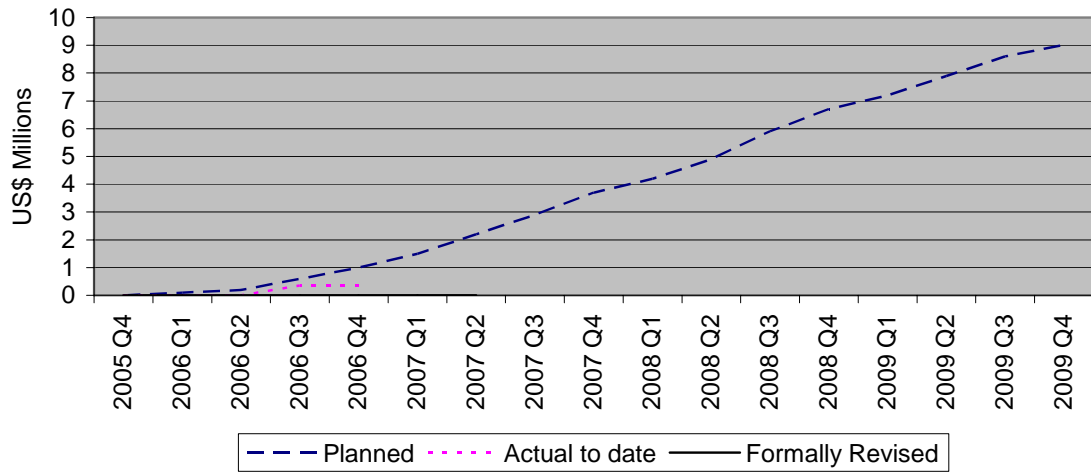
Progress toward achieving development objective(s):

Project effectiveness was delayed due to long summer recess of the Parliament. However, after effectiveness, the project was launched in February 2006 with demonstrated strong ownership by implementing agency, the Ministry of Agriculture, Forestry and Water Management. Key capacity building and public awareness raising activities have commenced.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-52513	Closed	0.35	0.29	0.00	0.06
MULT-54908	Effective	9.02	0.36	8.66	0.00





Project Name (ID): Pensions System Administration Investment (Montenegro) (P087470)

Country: Serbia and Montenegro

Board Approval Date : 06/08/2004

Midterm Review Date : 09/01/2006

Closing Date : 09/30/2008

Loan/Credit/Grant Number : IDA-39190

Sector(s): Compulsory pension and unemployment insurance (95%), Non-compulsory pensions, insurance and contractual savings (5%)

Theme(s): Tax policy and administration (P), Administrative and civil service reform (P), Law reform (S), Other public sector governance (S)

Project Development Objectives:

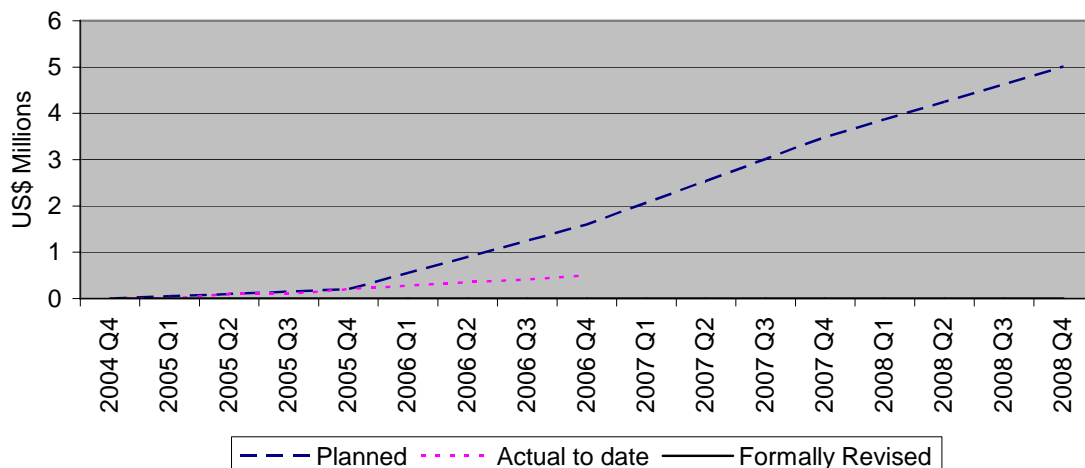
The objectives are to improve the financial sustainability, effectiveness, and efficiency of the pension system.

Progress toward achieving development objective(s):

Following the enactment of the consolidated collections law and unified registration, which legalizes and formalizes the basis for all of the changes being proposed by the project, the activities related to the implementation of new processes were initiated in all the implementing agencies. This work will include registration of individuals and development of a consolidated database in the Department of Public Revenues and enable information sharing between the DPR and other agencies.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39190	Effective	5.14	0.51	4.64	0.00



Project Name (ID): Irrigation and Drainage Rehabilitation (Serbia) (P087964)
Country: Serbia and Montenegro
Board Approval Date : 07/12/2005
Midterm Review Date : 06/30/2008
Closing Date : 05/31/2011
Loan/Credit/Grant Number : IDA-41050, JPN-54608
Sector(s): Irrigation and drainage (73%), Central government administration (27%)
Theme(s): Water resources management (P), Rural services and infrastructure (P), Natural disaster management (P), Rural policies and institutions (S)

Project Development Objectives:

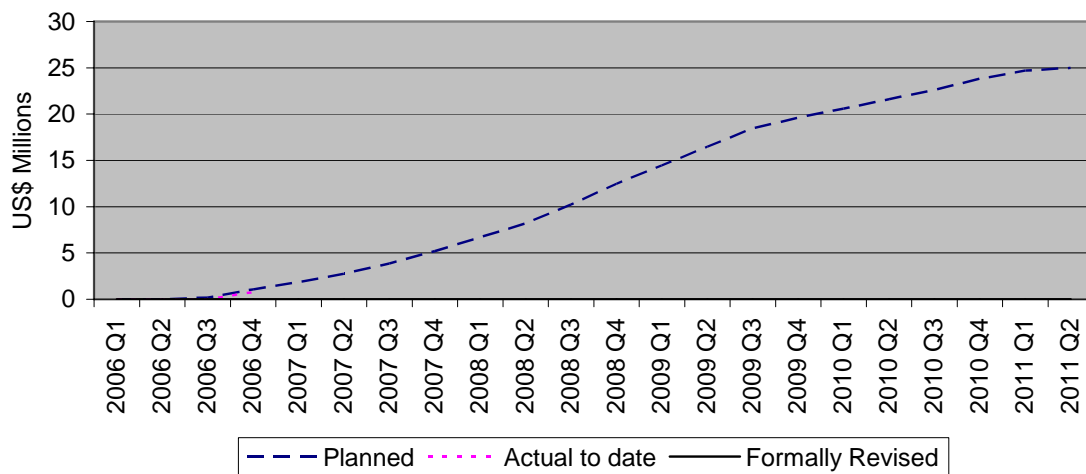
The project’s main objectives are to (a) improve the capacity for increased efficiency of agricultural production through support of high priority rehabilitation of drainage and irrigation infrastructure; (b) reduce the risk of damage from flooding to land, crops property and infrastructure as well as reducing the risk of loss of life from flooding in project areas; and (c) improve water resources management and strengthen the associated water resource management institutions and policies.

Progress toward achieving development objective(s):

The project went to the Board in June 2005. Due to financial management conditions and other aspects that needed resolving, effectiveness only happened in March 2006. Since then the implementation team has been quite effective at drafting terms of reference and beginning contracting of design and works.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-41050	Effective	24.40	0.77	23.64	0.00
JPN-54608	Closed	0.29	0.28	0.00	0.00



Project Name (ID): Energy Community of South East Europe (APL) Program - Serbia and Montenegro Component - Serbia (P088867)

Country: Serbia and Montenegro

Board Approval Date : 06/30/2005

Midterm Review Date : 11/30/2007

Closing Date : 02/28/2010

Loan/Credit/Grant Number : IDA-40900

Sector(s): Power (100%)

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

Project Development Objectives:

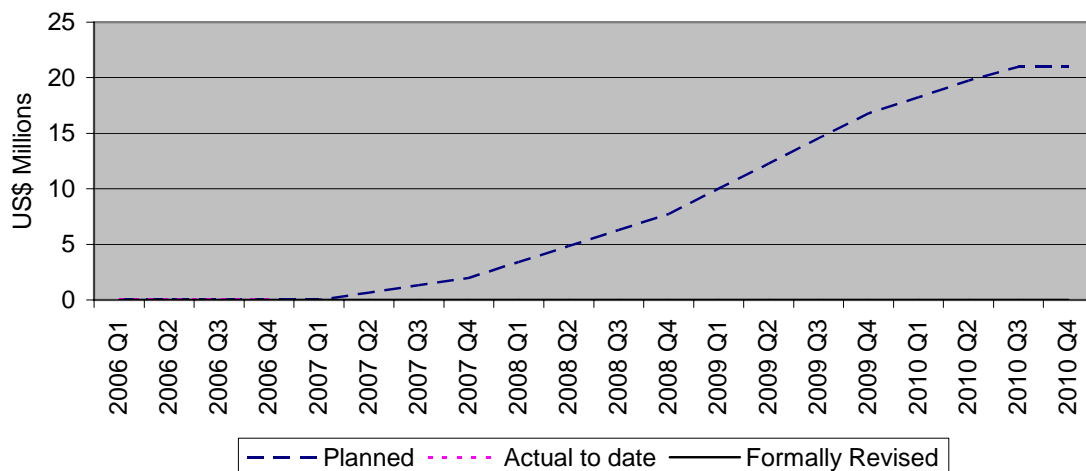
The objective of Energy Community of South East Europe (ECSEE) Adaptable Lending Program is the development of a functioning regional electricity market in South East Europe and its integration into the internal electricity market of the European Union. The project objective is to improve electricity market access for consumers and suppliers.

Progress toward achieving development objective(s):

The project became effective on February 6, 2006. The implementing agency has made progress in the hiring of the implementation supervision consultant. When the consultant is mobilized, it is expected that progress will be made in the procurement of the goods and work of the substation and transmission line projects financed by this credit.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40900	Effective	20.43	0.00	20.43	0.00



Project Name (ID): Consolidated Collection and Pension Administration Reform (Serbia) (P090418)

Country: Serbia and Montenegro

Board Approval Date : 05/31/2005

Midterm Review Date : 06/30/2007

Closing Date : 09/30/2010

Loan/Credit/Grant Number : IDA-40710

Sector(s): Compulsory pension and unemployment insurance (76%), Central government administration (21%), Banking (3%)

Theme(s): Social risk mitigation (P), Administrative and civil service reform (P)

Project Development Objectives:

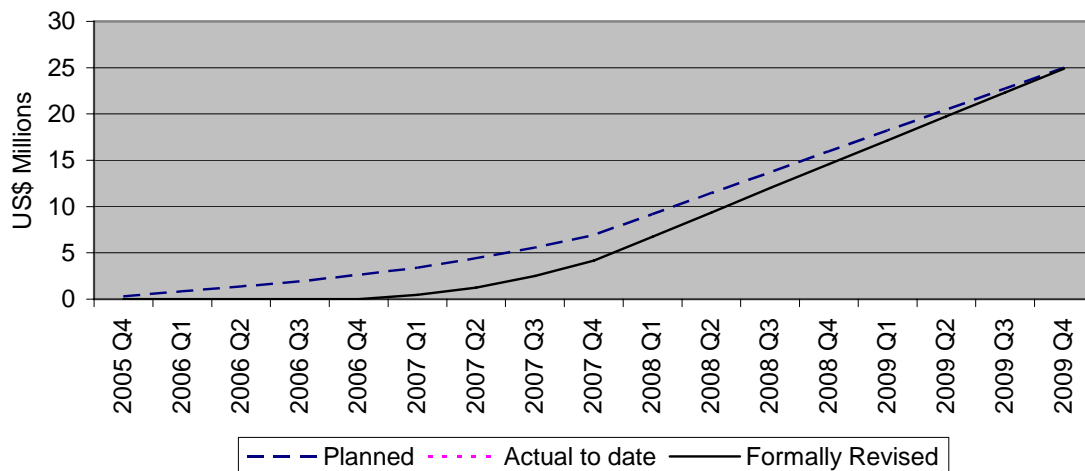
The objective is to improve the effectiveness and efficiency of the pension system through the modernization and streamlining of the institutional capacity in the pension system, improved pension system administration, developed capacity for policy identification, analysis and monitoring and increased public understanding of the system.

Progress toward achieving development objective(s):

The pension legislation has been amended and changes were introduced that aim at improving the effectiveness and sustainability of the system. The changes allow for the consolidation of the existing pension funds. Following legal developments, the government initiated the process of selecting the project managers and consultants who will work on consolidating the pension funds and preparing the feasibility study to assist the government in selecting the optimal model of contribution and personal income tax collection system for Serbia.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40710	Effective	24.40	0.00	24.40	0.00



Project Name (ID): Energy Community of South East Europe APL 3 - Montenegro (P096598)

Country: Serbia and Montenegro

Board Approval Date : 05/22/2006

Closing Date : 06/30/2011

Loan/Credit/Grant Number : IDA-41730

Sector(s): Power (81%), Renewable energy (19%)

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

Project Development Objectives:

The objective is to provide investment support to EPCG, the Electric Power Utility of Montenegro. Specifically, the objective of the ECSEE APL3 is to improve the efficiency and reliability of the power system in Montenegro, through better supply security and closer integration into the regional markets.

Progress toward achieving development objective(s):

The project was approved on May 22, 2006 and is not effective yet. Following the May 21 referendum, the status of Montenegro (the Recipient) has changed. The country has become independent from the Serbia and Montenegro union. The project may have to be renegotiated and resubmitted to the Board when the Montenegro membership and borrowing status is established.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-41730	Not Effective	9.26	0.00	9.26	0.00

