

STATUS OF PROJECTS IN EXECUTION – FY06
SOPE
REGION: LATIN AMERICA AND THE CARIBBEAN
COUNTRY: URUGUAY

Operations Policy and Country Services
SEPTEMBER 19, 2006



Report on the Status of Projects in Execution - FY06
SOPE
Region: Latin America and the Caribbean
Country: Uruguay

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: Uruguay

Project Name (ID): Transport Infrastructure Maintenance and Rural Access (P057481)

Country: Uruguay

Board Approval Date : 06/09/2005

Midterm Review Date : 09/07/2007

Closing Date : 07/31/2011

Loan/Credit/Grant Number : IBRD-73030

Sector(s): Roads and highways (92%), Central government administration (3%), Ports, waterways and shipping (3%), Sub-national government administration (2%)

Theme(s): Trade facilitation and market access (P), Rural services and infrastructure (S), Infrastructure services for private sector development (S), Regional integration (S), Non-communicable diseases and injury (S)

Project Development Objectives:

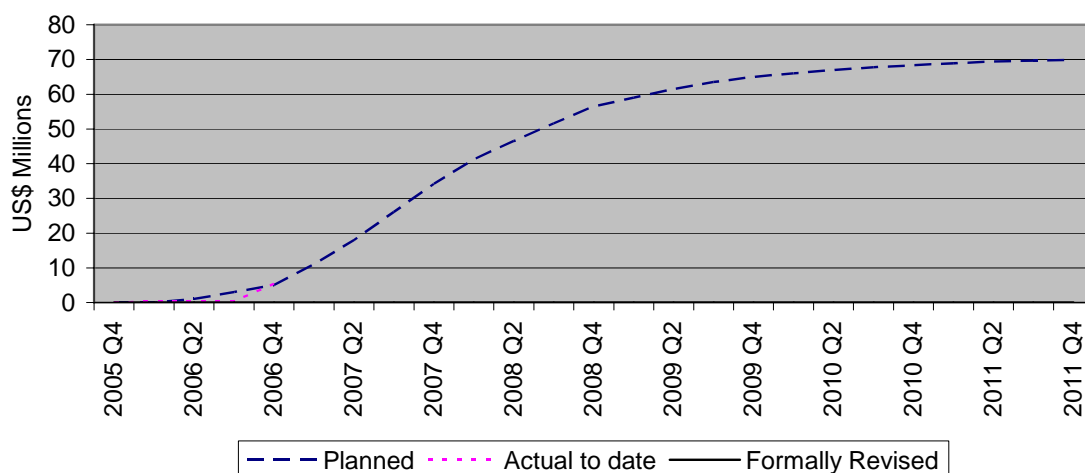
The objective is to upgrade the country's transport infrastructure to a condition that facilitates the transportation of freight and passengers at a cost-efficient level of service.

Progress toward achieving development objective(s):

Implementation has been slow, mainly due to delays in the approval of the national budget and fiscal restrictions. Several bids are under preparation and the departmental maintenance program is underway. More progress is expected soon in the transfer terminals component and the roads component.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73030	Effective	70.00	5.35	64.65	0.00



Project Name (ID): Modernization and Systems Rehabilitation (P063383)

Country: Uruguay

Board Approval Date : 06/06/2000

Midterm Review Date : 03/17/2003

Closing Date : 03/31/2007

Loan/Credit/Grant Number : IBRD-45560, JPN-29194

Sector(s): Water supply (45%), Sewerage (35%), Sanitation (20%)

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

Project Development Objectives:

The objective is to increase the efficiency, coverage and sustainability of water supply and sanitation services.

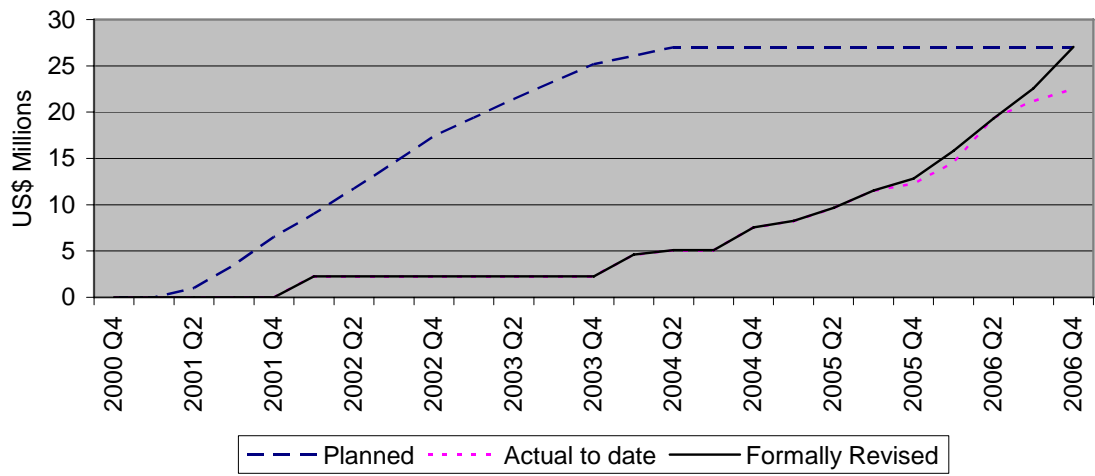
Progress toward achieving development objective(s):

The project continues making good progress towards its development objectives. To date, OSE has connected 34,600 households to its sewerage systems in Minas and Treinta y Tres (more than the final target of 28,000); about 4,860 households in poor neighborhoods have been connected to the water supply system of Montevideo, giving access to potable water to more than 19,500 poor people (about 97 percent of target population); labor productivity has reached the agreed final target (4.5 employees per 1,000 water and sewerage connections vis à vis a target of 4.8 and a baseline of 5.6); the operating margin has improved to 42 percent (from 35 percent); the pumps to increase water pumping capacity in the Aguas Corrientes plant to 504,000 m³/day are being installed; and a benchmarking system to measure service quality is already implemented for the capital and most large and medium cities in the interior of the country.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45560	Effective	27.00	22.51	4.49	0.00
JPN-29194	Closed	0.27	0.27	0.00	0.00





Project Name (ID): Energy Efficiency (P068124)

Country: Uruguay

Board Approval Date : 05/13/2004

Midterm Review Date : 09/30/2007

Closing Date : 06/30/2010

Loan/Credit/Grant Number : MULT-53298

Sector(s): District heating and energy efficiency services (94%), Central government administration (6%)

Theme(s): Climate change (P), Infrastructure services for private sector development (S)

Project Development Objectives:

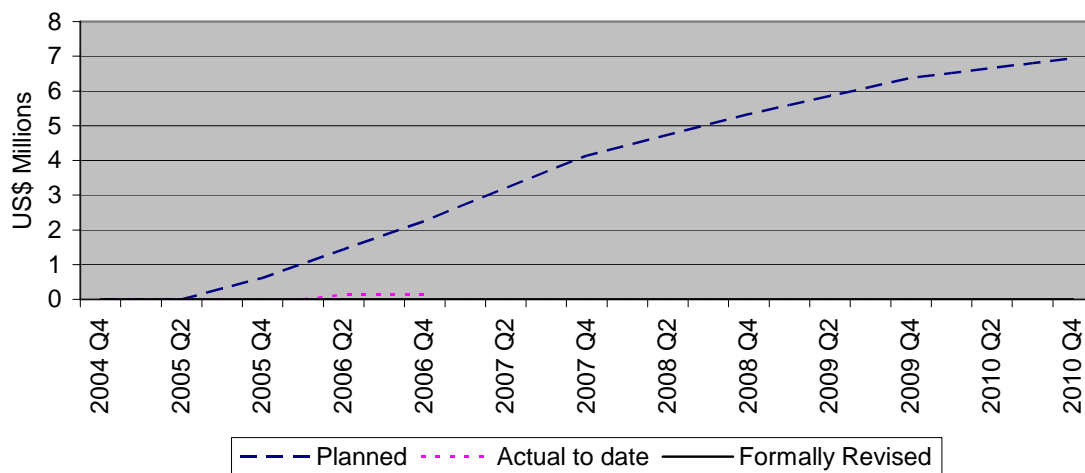
The objective is to increase the demand for and competitive supply of energy efficient goods and services.

Progress toward achieving development objective(s):

With both implementation units fully operational at Ministry of Industry, Energy and Mining and UTE (state-owned power company), the project is slowly advancing towards its development objectives. The project is in the phase of preparing and contracting services and energy efficiency operations.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
MULT-53298	Effective	6.88	0.13	6.75	0.00



Project Name (ID): PUBLIC SERVICES MODERNIZATION TECHNICAL ASSISTANCE (P070058)

Country: Uruguay

Board Approval Date : 03/22/2001

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IBRD-45980, JPN-27092

Sector(s): Telecommunications (33%), General energy (30%), Central government administration (25%), General water, sanitation and flood protection (6%), General transportation (6%)

Theme(s): Legal institutions for a market economy (P), Regulation and competition policy (P), Administrative and civil service reform (P)

Project Development Objectives:

The objectives are to (a) increase the efficiency and sustainability of access to public services; and (b) increase the efficiency and sustainability of the financial sector especially of the public banks, supporting the modernization and performance of Banco Hipotecario del Uruguay (BHU).

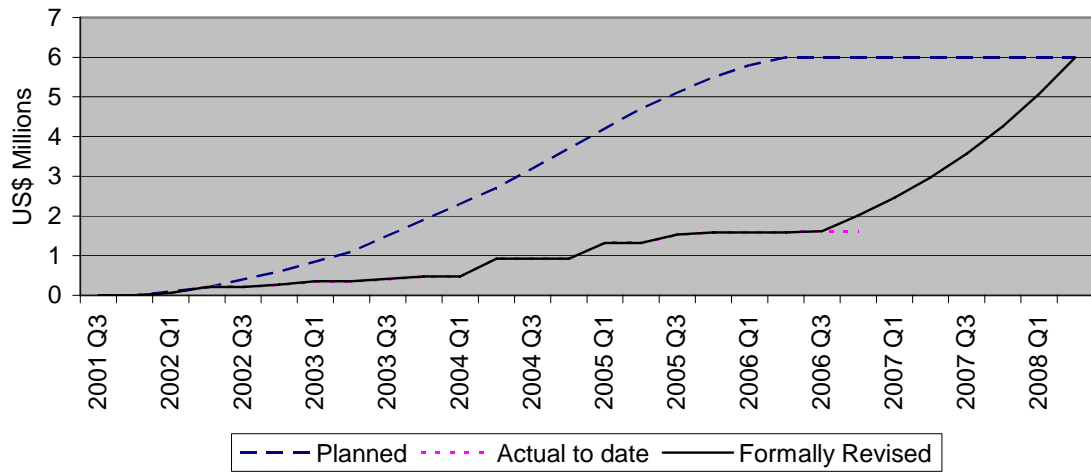
Progress toward achieving development objective(s):

Project implementation is slow but on track towards achieving its development objectives. About half of the eleven established indicators have already been achieved, and the likelihood of achieving the remaining ones is high. For example, regulatory agencies are established and operating for the water supply and sanitation (WSS), natural gas, petroleum products, power and communications sectors. Targets for private sector participation were achieved for communications (there are 10 international operators and 3 cellular operators vis à vis the target of 3 and 3), WSS (54,700 persons vis à vis 45,000) and power (10 percent of maximum power demand is met by private providers). 633 schools have access to Internet. Quality of services indicators for water and power utilities are regularly produced and published. The development and implementation of the tool essential to increase the efficiency and sustainability of the country's financial sector, an integral management system in the Banco Hipotecario del Uruguay is close to completion.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45980	Effective	6.00	1.62	4.38	0.00
JPN-27092	Closed	1.29	0.79	0.00	0.50





Project Name (ID): Integrated Natural Resources and Biodiversity Management (P070653)

Country: Uruguay

Board Approval Date : 06/09/2005

Closing Date : 08/31/2011

Loan/Credit/Grant Number : IBRD-73050

Sector(s): Agricultural extension and research (20%), Animal production (20%), Irrigation and drainage (20%), Forestry (20%), Sub-national government administration (20%)

Theme(s): Other rural development (P), Other environment and natural resources management (P)

Project Development Objectives:

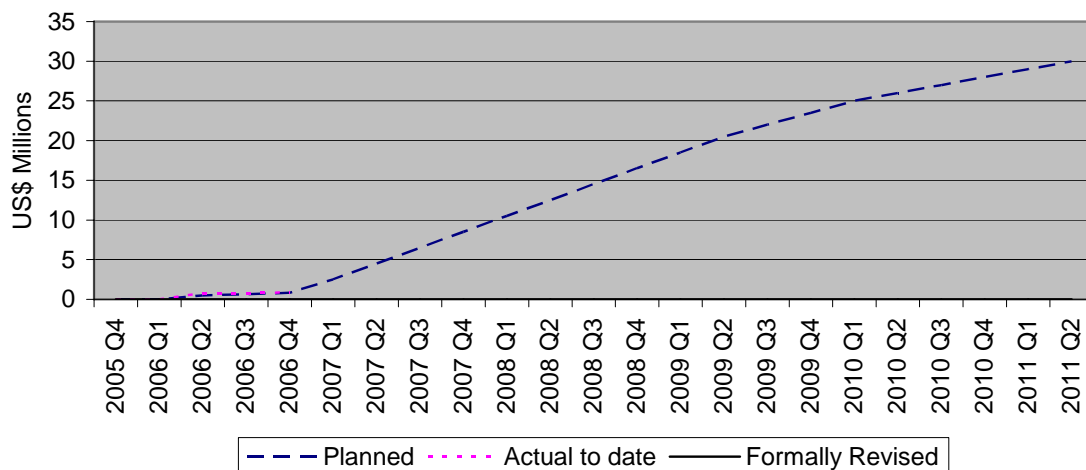
The objective is to promote, mainly among groups of small and medium-sized farmers, the adoption of economically and environmentally viable integrated production systems within a context of holistic ecosystem and natural resources management, while mainstreaming biodiversity conservation.

Progress toward achieving development objective(s):

): The project was launched in December 2005 and is progressing well. The Project Executing Agency has been set up and is functioning effectively. Operational aspects established in the Operational Manual are advancing, such as the drafting of a Field Guide and Communication and Training Plans. The Monitoring and Evaluation Document and Program of Actions for 2006 are being finalized.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73050	Effective	30.00	0.86	29.14	0.00



Project Name (ID): Third Basic Education Quality Improvement (P070937)

Country: Uruguay

Board Approval Date : 04/25/2002

Midterm Review Date : 11/14/2005

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IBRD-71130

Sector(s): Primary education (54%), Pre-primary education (20%), Tertiary education (12%), Central government administration (11%), Other social services (3%)

Theme(s): Access to urban services and housing (P), Education for all (P), Vulnerability assessment and monitoring (P), Rural services and infrastructure (P), Participation and civic engagement (S)

Project Development Objectives:

The objective is to improve education quality in schools serving socio-economically disadvantaged populations in Uruguay.

The Project was restructured during the 2006 Fiscal Year

The proposed restructuring would support the continued expansion of the full-time school (FTS) model, albeit covering a smaller share of school children than had been originally planned and the introduction of an alternative intervention to improve the quality of schools serving disadvantaged children to address the needs of students who are not served by the TFS model.

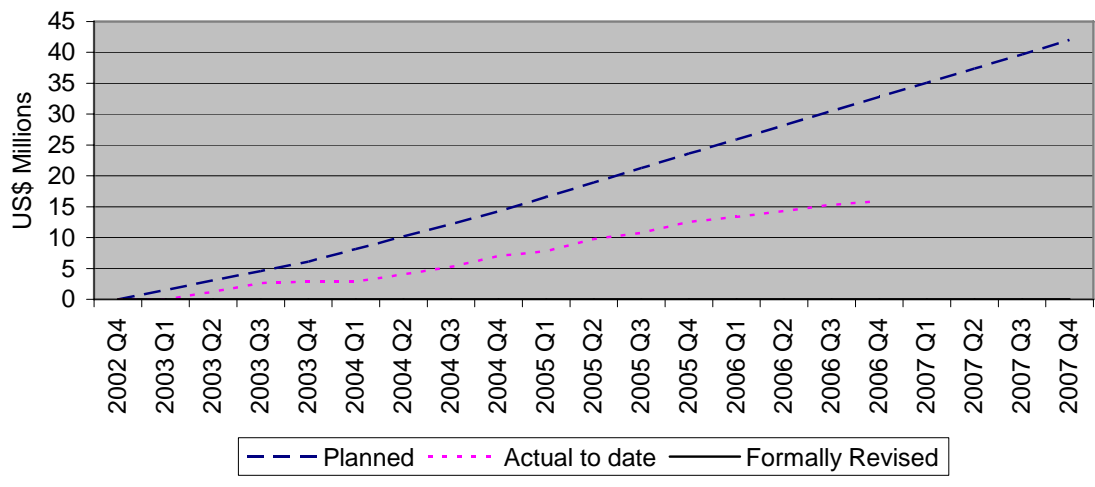
Progress toward achieving development objective(s):

Although so far the pace of project implementation has been slow, recent restructuring is expected to reverse this trend. The Budget Law for 2006-2009 was approved and includes adequate allocations for the project. The impact of the Project thus far on disadvantaged students' performance, as measured by standardized assessments of 6th grade students, has been substantial. In both Language and Mathematics, results have surpassed the targets for the Project's midterm. In Language, 57% of the students tested reached a satisfactory level (target was 52%) while in Mathematics, 37% of the students tested satisfactorily (target was 32%). Likewise, the Project has had a very positive impact on system efficiency, as repetition rates fell from 24.1% to 19.3% in the first grade (the target was 22%), and from 16.8% to 12.3% in the second grade (the target was 15%).

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71130	Effective	42.00	15.90	26.10	0.00





Project Name (ID): Foot and Mouth Disease Emergency Recovery (P074543)

Country: Uruguay

Board Approval Date : 07/31/2001

Midterm Review Date : 08/02/2002

Closing Date : 01/31/2007

Loan/Credit/Grant Number : IBRD-70700

Sector(s): Animal production (86%), Central government administration (14%)

Theme(s): Natural disaster management (P), Other rural development (P), Export development and competitiveness (S)

Project Development Objectives:

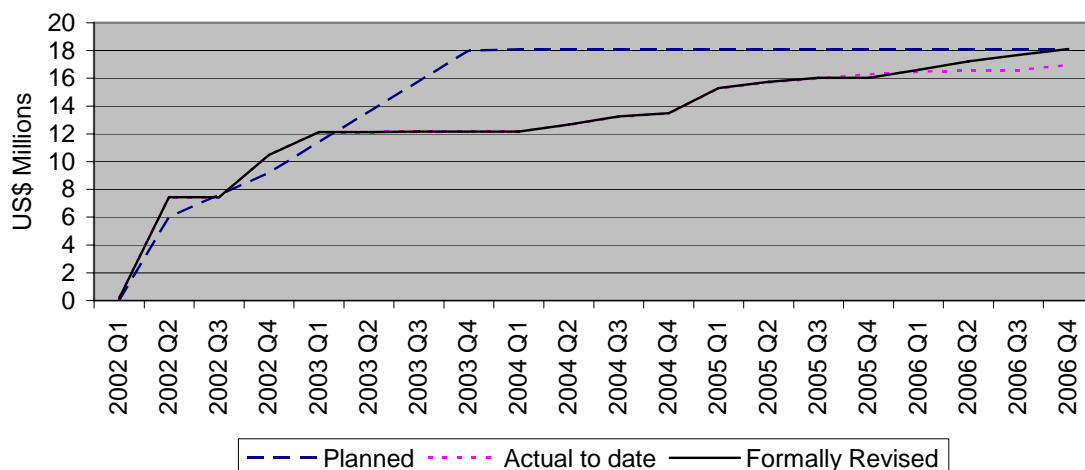
The objective is to contain and mitigate the impact of the outbreak of foot and mouth disease.

Progress toward achieving development objective(s):

Project implementation during the past year has focused on ensuring the long-term sustainability of its objective through (a) the development of the National Livestock Information System (SNIG) and the Pilot Plan for Individual Livestock Traceability (PTI); (b) increased training of animal health professionals and farmers involved in the National Animal Health System; and (c) strengthening of the equipment and functioning of sanitary barriers. The project is likely to achieve its objectives by the end of 2006. Additional financing is proposed to scale up individual livestock traceability and to contribute to animal health activities at the regional level.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70700	Effective	18.50	16.97	1.53	0.00



Project Name (ID): Public Services and Social Sectors (P078726)

Country: Uruguay

Board Approval Date : 04/08/2003

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-71640

Sector(s): General information and communications (25%), General water, sanitation and flood protection (25%), General transportation (25%), General energy (25%)

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

Project Development Objectives:

The objective is (i) to reduce prices and increase quality and coverage of public services, including electricity, hydrocarbons, transport, communications, water and sanitation; and (ii) to improve efficiency of investment, production and distribution of these services.

Progress toward achieving development objective(s):

Serious setbacks caused by the results of the referendums that repealed the ANCAP (state-owned oil company) law and amended the Constitution precluding private sector participation in water supply and sanitation, as well as difficulties with energy supply from Argentina delayed progress of reform in the electricity market. Progress was made in the preparation of the action plan to restructure the Program based on a comprehensive strategy in the energy sector. Important progress has been made in achieving intermediate outcomes and key measures have been taken. For example, tariffs have been increased to ensure utilities' financial feasibility; initial steps have been taken to create an association of the rail company with private sector operators; and the decisions of the Communications Regulator on mobile phones and the radio-electric spectrum were confirmed by the new authorities.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71640	Effective	151.52	51.52	100.00	0.00

