

STATUS OF PROJECTS IN EXECUTION – FY06
SOPE
REGION: Middle East and North Africa
COUNTRY: ALGERIA

Operations Policy and Country Services
SEPTEMBER 19, 2006



Report on the Status of Projects in Execution - FY06
SOPE
Region: Middle East and North Africa
Country: Algeria

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: Algeria

Project Name (ID): DZ-BUDGET SYST. MODERN. (P064921)

Country: Algeria

Board Approval Date : 02/06/2001

Midterm Review Date : 04/15/2004

Closing Date : 02/28/2009

Loan/Credit/Grant Number : IBRD-70470

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

Theme(s): Economic statistics, modeling, and forecasting (P), Public expenditure, financial management, and procurement (P)

Project Development Objectives:

The objective of the project is to enhance the capacity of the Ministry of Finance to discharge its core expenditure management and economic policy advice functions.

The Project was restructured during the 2006 Fiscal Year

In the restructuring, the development objectives remained largely unaffected, yet reform process was broken down into smaller building blocks. Each represents less than a comprehensive budget reform exercise as contemplated by the original project objectives. But they will still create self sustaining building blocks that will bring value added to the budgeting process.

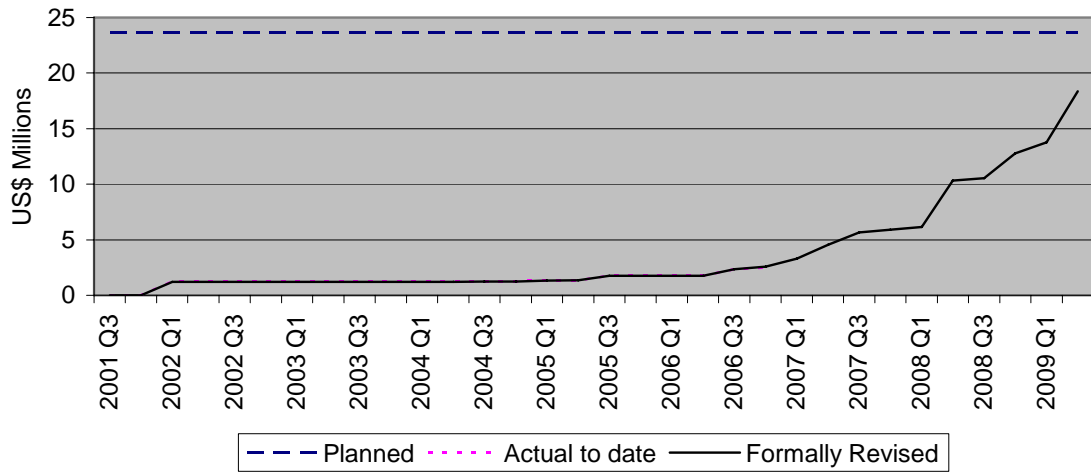
Progress toward achieving development objective(s):

After facing substantial delays from 2001 to 2005. The project was restructured in 2006, its closing date extended to February 28, 2009 and the loan amount was reduced to US\$ 18.4 Million. The Restructuring was approved by the Board on March 4, 2006. The process included the substantial modification of project components and the reduction of the loan amount by US\$5.4 M. The project's implementation in 2006 has substantially improved. The Government has adopted a series of important policy decisions and has greatly strengthened its ability to manage the project by creating an institutional structure able to support the work of the Interministerial steering committee entrusted with management of the reforms. All these measures have created a strong enabling environment for the project and have contributed to the dramatic turnaround that we have witnessed in FY 2006.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70470	Effective	23.70	2.50	15.90	5.30





Project Name (ID): MORTGAGE FINANCE TECHNICAL ASSISTANCE PROJECT (P064983)

Country: Algeria

Board Approval Date : 06/27/2002

Midterm Review Date : 12/08/2004

Closing Date : 01/31/2007

Loan/Credit/Grant Number : IBRD-71310, JPN-26124

Sector(s): Housing finance and real estate markets (50%), Capital markets (30%), Central government administration (10%), Information technology (10%)

Theme(s): Other economic management (P), Other financial and private sector development (S)

Project Development Objectives:

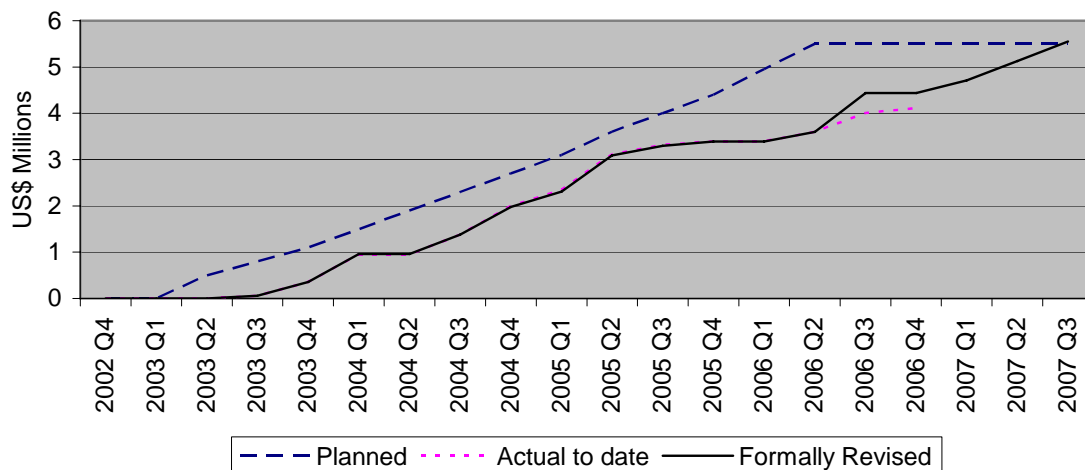
The objective is to help strengthen the enabling environment for a well-functioning mortgage loan market.

Progress toward achieving development objective(s):

The project is on track to meet its objective. Project outputs show good progress regarding legal amendments to improve property rights. In addition, more than 80% of the identified operational staff has been trained on mortgage lending issues. The volume of market-based mortgage loans in the retail market is now gradually beginning to increase.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71310	Effective	5.50	4.09	1.41	0.00
JPN-26124	Closed	0.27	0.27	0.00	0.00



Project Name (ID): Energy and Mining Technical Assistance Loan (EMTAL) (P067567)

Country: Algeria

Board Approval Date : 02/27/2001

Midterm Review Date : 05/05/2003

Closing Date : 08/31/2007

Loan/Credit/Grant Number : IBRD-70480, IBRD-P3730

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

Theme(s): Legal institutions for a market economy (P), Environmental policies and institutions (P), Regulation and competition policy (P), State enterprise/bank restructuring and privatization (P), Law reform (S)

Project Development Objectives:

The objectives are to reform the energy and mining sectors, including setting the stage to improve sector efficiency, introducing market forces, developing untapped resources, addressing environmental concerns and alleviating the sector's financial burden on public finances.

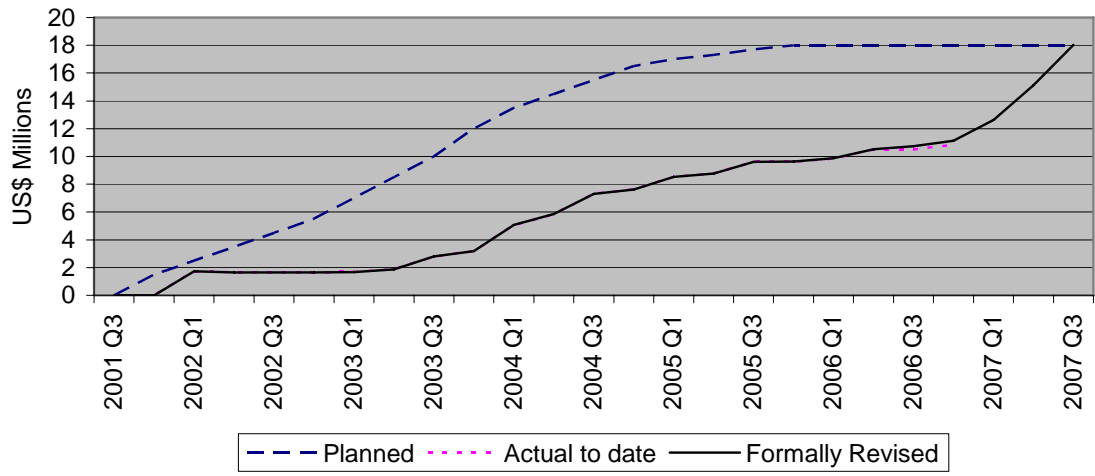
Progress toward achieving development objective(s):

Good progress has been made towards achieving the Project's Development Objectives. New mining (July 2001), electricity (February 2002) and hydrocarbon (April 2005) laws were adopted and promulgated. Regulatory agencies for the electricity and mining sector were and are gradually becoming operational. The restructuring of Sonelgaz, the electric and gas distribution utility, is well underway and is expected be completed by end 2007. In mining, the issuance of licenses to private operators has considerably increased and the initial results are encouraging. Preparatory work on secondary legislation for the hydrocarbon sector and the establishment of the new regulatory agencies in the hydrocarbon sector has been completed. Attracting private capital in the upstream oil and gas sector and in mining sectors has been rather successful, but in the electricity sector only a limited amount of private sector capital has so far been mobilized.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70480	Effective	18.00	10.83	7.17	0.00
IBRD-P3730	Closed	0.65	0.00	0.00	0.65





Project Name (ID): DZ-URBAN NATURAL HAZARD VULNERABILITY (P067605)

Country: Algeria

Board Approval Date : 08/08/2002

Midterm Review Date : 03/18/2006

Closing Date : 02/28/2007

Loan/Credit/Grant Number : IBRD-71390

Sector(s): Other social services (70%), Flood protection (20%), Central government administration (9%), Forestry (1%)

Theme(s): Access to urban services and housing (P), Natural disaster management (P), Water resources management (P)

Project Development Objectives:

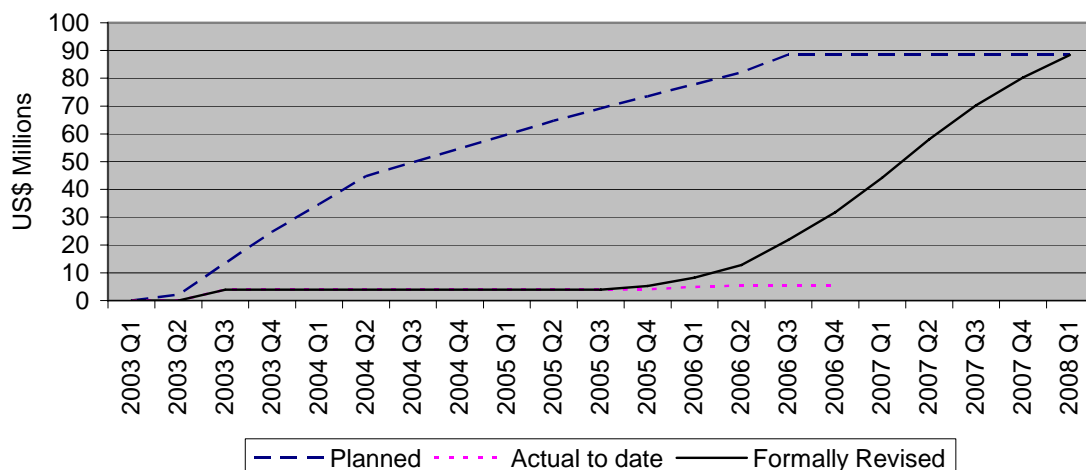
The objectives of the project are to: (a) reduce urban vulnerability to natural hazards; and (b) strengthen the national capacity for disaster management following the 2001 floods.

Progress toward achieving development objective(s):

The Project continues to make good progress towards achieving the development objectives. The national capacity for disaster management has now been strengthened. This was achieved through the incorporation of key findings from Bank-financed studies into the preparation of the land use plan for the metropolitan area of Algiers. Also, the studies have increased awareness to natural risks and have identified priority physical investments that are needed to reduce the urban vulnerability in the Wilaya of Algiers.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71390	Effective	88.45	5.56	5.21	77.68



Project Name (ID): Telecommunications and Postal Sector Reform Project (P070308)

Country: Algeria

Board Approval Date : 06/27/2000

Midterm Review Date : 10/10/2002

Closing Date : 12/31/2006

Loan/Credit/Grant Number : IBRD-70270

Sector(s): Central government administration (62%), Law and justice (24%), Postal services (14%)

Theme(s): State enterprise/bank restructuring and privatization (P), Administrative and civil service reform (P), Legal institutions for a market economy (P), Law reform (P), Regulation and competition policy (S)

Project Development Objectives:

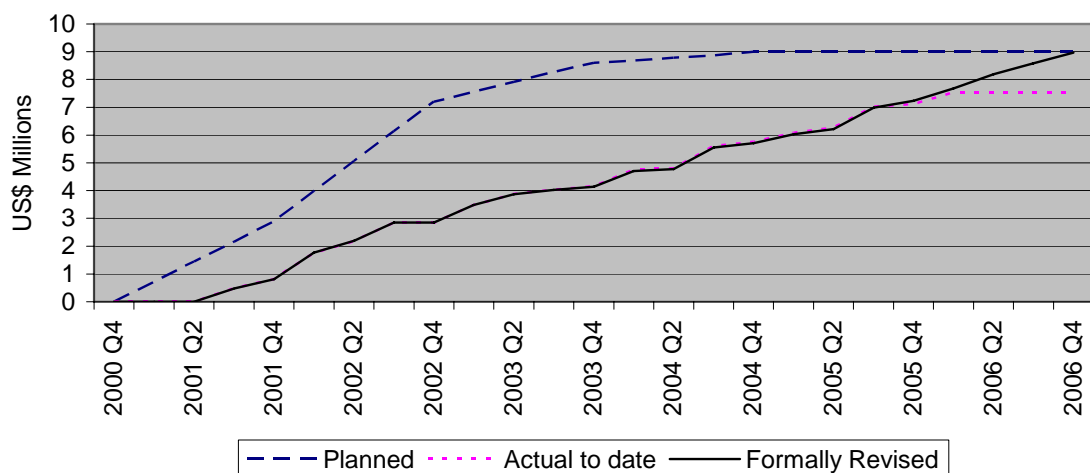
The project seeks to create an enabling environment to improve access to efficient and affordable communications services by opening the telecommunications and postal sectors to competition and private participation.

Progress toward achieving development objective(s):

The project continues to make progress toward achieving its development objectives. The liberalization process has enabled some significant competition in the sector fueling an increase in telephone penetration from 6% of the population in 2000 to 60% in June 2006. Retailed tariffs in FY06 have been reduced significantly.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70270	Effective	9.00	7.53	1.19	0.28



Project Name (ID): DZ-TRANSPORT TECHNICAL ASSISTANCE (P072458)

Country: Algeria

Board Approval Date : 08/23/2001

Midterm Review Date : 01/25/2005

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IBRD-70730

Sector(s): Railways (34%), Roads and highways (32%), Ports, waterways and shipping (24%), Aviation (10%)

Theme(s): Infrastructure services for private sector development (P), Regulation and competition policy (P), Other urban development (P), Other financial and private sector development (P)

Project Development Objectives:

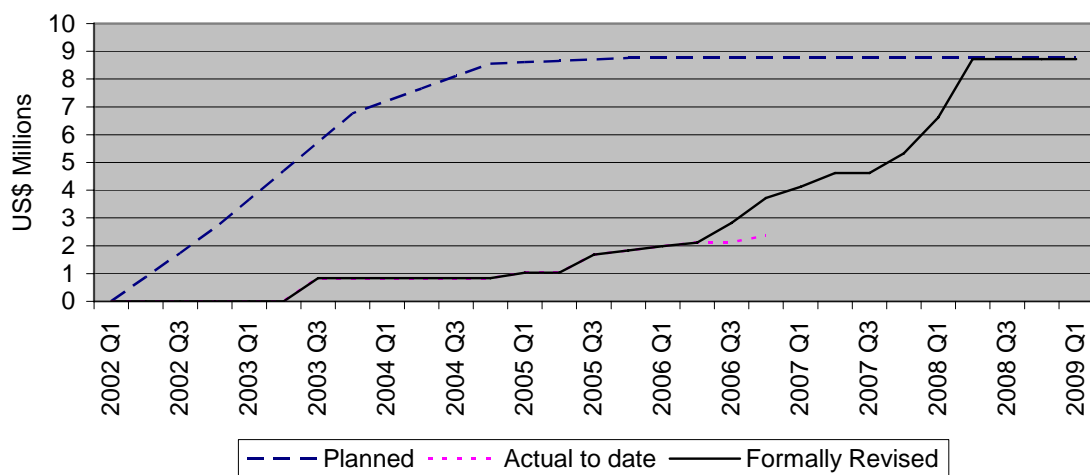
The objectives are to set up a policy and institutional framework encouraging competition and private participation in infrastructure.

Progress toward achieving development objective(s):

The first wave of technical studies is nearly completed and the second wave is being procured. The Minister of Transport remains committed to reform the transport sector.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70730	Effective	8.72	2.37	6.35	0.00



Project Name (ID): Second Rural Employment Project (P076784)

Country: Algeria

Board Approval Date : 04/29/2003

Closing Date : 06/30/2009

Loan/Credit/Grant Number : IBRD-71680, JPN-50503

Sector(s): Crops (45%), Forestry (35%), Irrigation and drainage (10%), Animal production (5%), Roads and highways (5%)

Theme(s): Participation and civic engagement (P), Land administration and management (P), Rural non-farm income generation (S), Water resources management (S), Rural services and infrastructure (S)

Project Development Objectives:

The Project Development Objective is to generate and stimulate sustainable rural employment in poor rural mountainous areas of northwest and north-central Algeria; alleviate the adverse social effects of adjustment; promote community involvement in rural development; enhance sustainable assets creation to stimulate employment and contribute to growth in agriculture.

Progress toward achieving development objective(s):

In February 2006, as a result of important increases in oil revenues, the Government of Algeria decided to cancel the uncommitted balance of most loans including the Second Rural Employment Project (REP-2) and to implement the project using its own financial resources. On May 17, 2006 the project loan balance of US\$81,563,211.67 was cancelled. From an initial amount of US\$95 million, the loan was reduced to US\$13,436,788.23. The loan closing date is therefore being revised.

The project continues to be implemented with little or no disruption.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71680	Effective	95.00	7.66	5.78	81.56
JPN-50503	Closed	0.40	0.37	0.00	0.03



