

**STATUS OF PROJECTS IN EXECUTION – FY07**  
**SOPE**  
**BULGARIA**

**Operations Policy and Country Services**  
**OCTOBER 10, 2007**



## Introduction

The Status of Projects in Execution (SOPE) Report for FY07 provides information on all IBRD/IDA projects that were active as of June 30, 2007. 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 or Program 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 FY07 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

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<sup>1</sup> Notes:

- Amounts and Graphs for loans/credits/grants 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 Operations, which provide quick-disbursing financing to support policy and institutional reforms. For these operations, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed prior actions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus will not include a graph.



**Country: Bulgaria**

**Project Name (ID):** District Heat ( P008314 )

**Country:** Bulgaria

**Board Approval Date :** 06/17/2003

**Midterm Review Date :** 11/21/2005

**Closing Date :** 06/30/2008

**Loan/Credit/Grant Number :** IBRD-47030, IBRD-47040, JPN-29111

**Sector(s):** District heating and energy efficiency services(100%)

**Theme(s):** Other urban development(P)

**Project Development Objectives:**

The project development objectives are to assist the Sofia and Pernik District Heating Companies to: (a) improve the quality of their services; (b) improve their financial viability; and (c) increase environmentally friendly operations through energy conservation and pollution reduction measures.

**Progress toward achieving development objective(s):**

The project is meeting its development objectives and implementation has progressed as planned. There has been an increase in the percentage of population being connected to the district heating system, and the financial viability of the companies has improved compared to the situation at appraisal (operating subsidies have been phased out and the working ratio—expenses divided by revenues—has improved). Further, the operations in both district heating companies have become more environmentally friendly through a reduction in heat and water losses in the heat distribution network and a decrease in household energy consumption. The positive environmental operations have resulted in a reduction of carbon emissions, and both companies have been able to sell the reduction in carbon emissions to the Prototype Carbon Fund resulting in additional revenues.

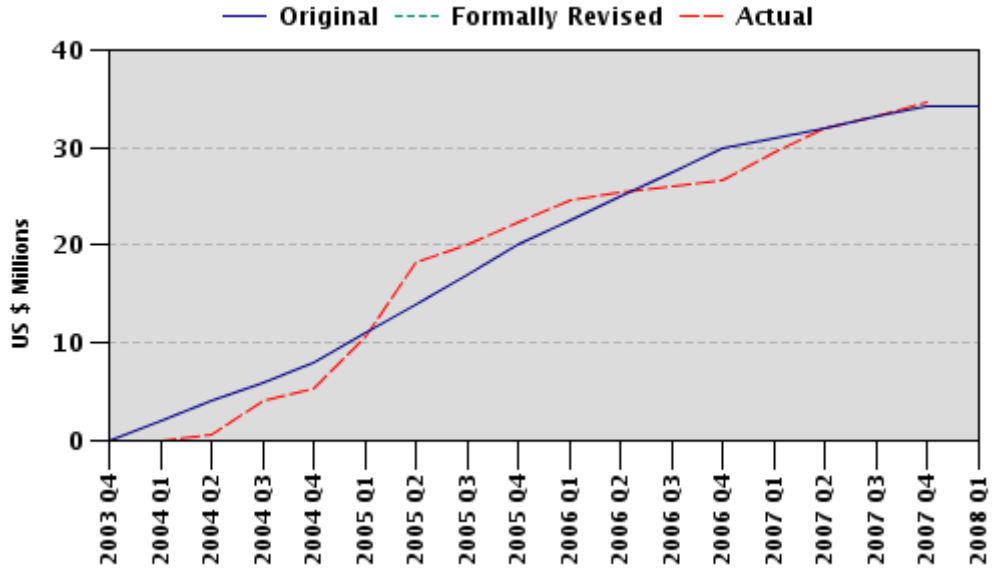
While there has been a delay in meeting the covenant related to the introduction of the private sector in Sofia District Heating company, the project indicators have not been affected. To address the delay in meeting the covenant, the shareholders (the Ministry of Economy and Energy and the Municipality of Sofia) have signed a Memorandum of Understanding through which they plan to privatize the company. It is expected that by December 2007, the shareholders will take a decision on how to implement the activities outlined in the Memorandum.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-47030	Effective	7.00	6.65	0.35	0.00
IBRD-47040	Effective	35.09	27.93	5.42	0.00
JPN-29111	Closed	0.53	0.56	0.00	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Registration and Cadastre ( P055021 )

**Country:** Bulgaria

**Board Approval Date :** 06/21/2001

**Midterm Review Date :** 10/25/2004

**Closing Date :** 03/01/2008

**Loan/Credit/Grant Number :** NETH-50265, IBRD-46190

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

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

**Project Development Objectives:**

The development objective of the proposed project is to improve the coverage, completeness, accuracy and responsiveness of the cadastre and real property registration systems, and, therefore, contribute to the development of secure tenure of real property (and hence investments in housing, agriculture, commerce, manufacturing, and services), and of an efficient real property market, which is one of the requirements of EU accession.

**Progress toward achieving development objective(s):**

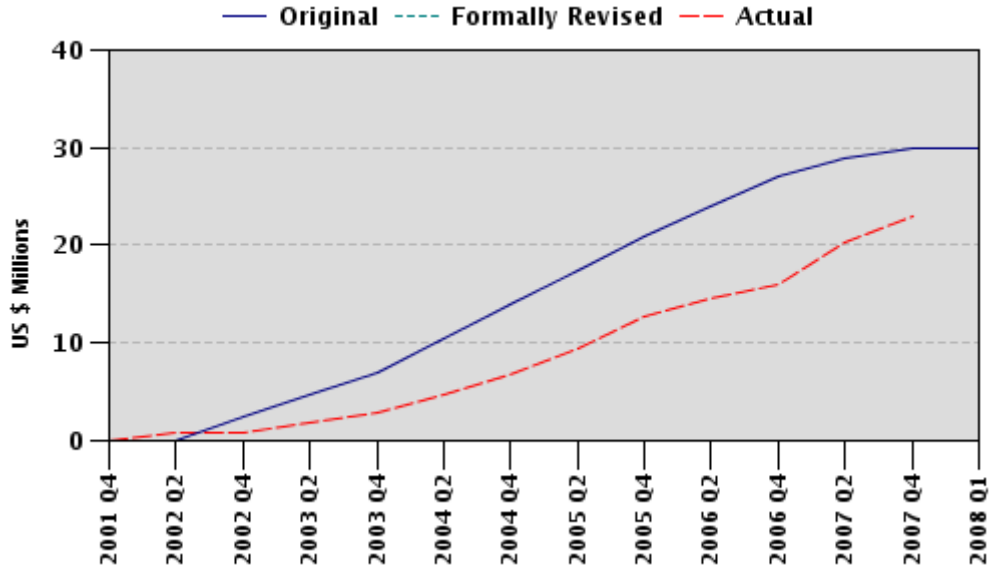
Overall the project is developing well with all major actions in the cadastre component basically completed. Out of a target 3 million, the approved cadastre map covers 2.6 million properties. The main focus for the remaining period of the project will be on the development of the joint IT system.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
NETH-50265	Effective	2.00	1.90	0.10	0.00
IBRD-46190	Effective	45.22	22.94	13.42	5.78



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Health Sector Reform ( P055157 )  
**Country:** Bulgaria  
**Board Approval Date :** 06/22/2000  
**Midterm Review Date :** 05/23/2003  
**Closing Date :** 06/30/2008  
**Loan/Credit/Grant Number :** IBRD-45650, SWTZ-23359  
**Sector(s):** Health(81%), Central government administration(19%)  
**Theme(s):** Health system performance(P), Access to urban services and housing(P), Rural services and infrastructure(P), Social risk mitigation(P)

**Project Development Objectives:**

The objective of the project is to support a fundamental reform of the health sector in Bulgaria, aiming at improving access to and cost-effectiveness of the system, and ensuring on-going financial and operational sustainability.

**Progress toward achieving development objective(s):**

Based on progress to date, it is likely that the project will partially meet its development objective.

Access to health services has improved, as 61 percent of people in 2006 reported that they have a general practitioner in their neighborhood (within 15 minutes) in comparison to 55 percent in 2004. In addition, 83.6 percent of people in 2006 report that they have not limited their use of health services because of distance in comparison to 86.3 percent in 2004.

The cost-effectiveness of the system has also improved. While the percentage of the national health budget for primary health care services has remained relatively stable over the last several years around 15-16 percent (2001-2007), the percent of the national health budget going towards inpatient services seems to be increasing from about 38-55 percent (2000-2007).

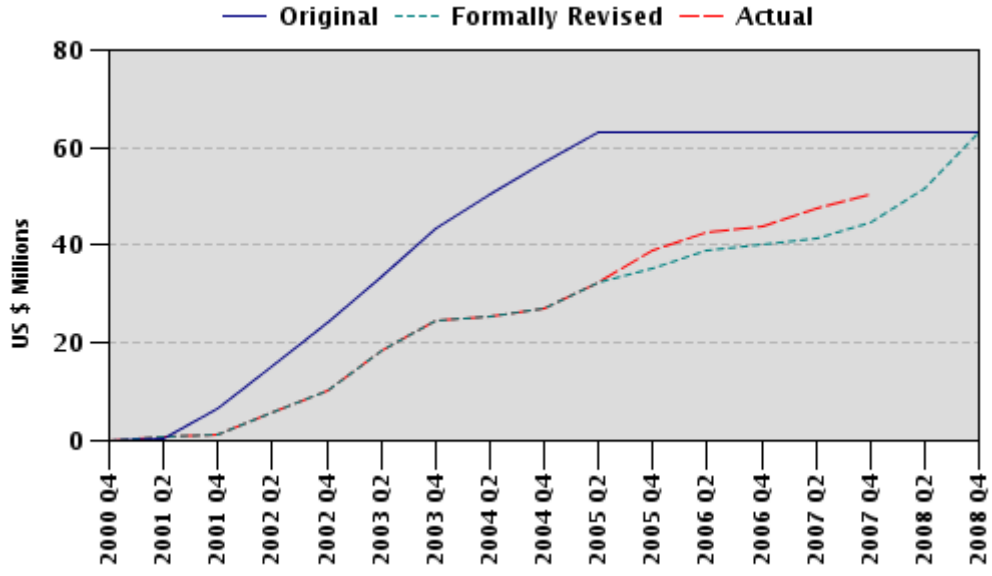
The system shows continued financial and operational sustainability. Bulgaria has only increased national health spending from 4.0 percent of GDP in 2001 to 4.4 percent in 2007, which is within the target estimations. The administrative costs of the Insurance Fund has been kept at less than 3 percent of its total revenues, as targeted. The Insurance Fund has increasingly taken over primary responsibility for financing in-patient services and as a result is using its reserves and budget transfers to meet its financial obligations.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-45650	Effective	93.00	50.45	30.79	0.00
SWTZ-23359	Closed	2.22	1.76	0.00	0.01



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Wetland Restoration (GEF) ( P068858 )

**Country:** Bulgaria

**Board Approval Date :** 06/13/2002

**Midterm Review Date :** 07/13/2006

**Closing Date :** 03/15/2008

**Loan/Credit/Grant Number :** WBTF-24837, MULT-50706

**Sector(s):** General agriculture, fishing and forestry sector(91%), Central government administration(9%)

**Theme(s):** Biodiversity(P), Pollution management and environmental health(P), Water resource management(P), Environmental policies and institutions(S), Other rural development(S)

**Project Development Objectives:**

The objective is that local communities and local authorities in the Persina Nature Park and Kalimok/Brushlen Protected Site areas adopt sustainable natural resources management practices.

**Progress toward achieving development objective(s):**

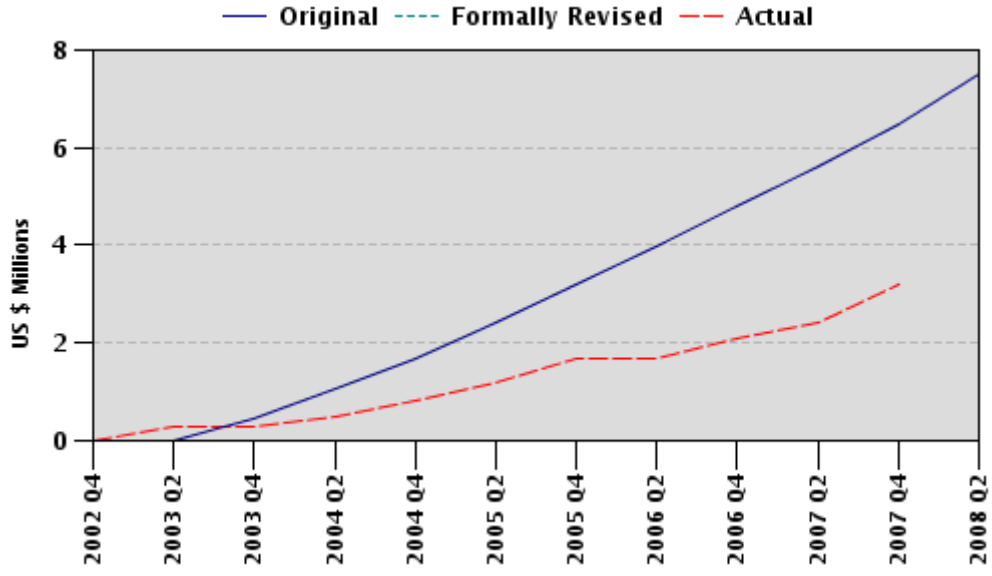
The project is developing well with the restoration of the Belene site underway and planned for completion in September 2007, and the restoration of the Kalimok site now starting. Both the Small Grants Program (SGP) and the Farmer Transition Support Fund (FTSF) have been very successful. The SGP has funded over 50 projects to raise biodiversity awareness. The FTSF has introduced environmentally friendly practices through projects such as for organic fruit production, and manure management to reduce nutrient pollution. The management plans for the two areas have been prepared with wide stakeholder participation.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
WBTF-24837	Closed	0.35	0.34	0.00	0.01
MULT-50706	Effective	7.50	3.18	4.32	0.00



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** SIEP ( P069532 )

**Country:** Bulgaria

**Board Approval Date :** 12/17/2002

**Midterm Review Date :** 05/12/2005

**Closing Date :** 12/31/2008

**Loan/Credit/Grant Number :** JPN-26777, IBRD-46811, IBRD-46810

**Sector(s):** Other social services(50%), General water, sanitation and flood protection sector(20%), Health(15%), General education sector(10%), Sub-national government administration(5%)

**Theme(s):** Participation and civic engagement(P), Improving labor markets(P), Access to urban services and housing(P), Municipal governance and institution building(S)

**Project Development Objectives:**

The objective is to improve the living conditions of people locked in persisting pockets of poverty in Bulgaria, concentrated regionally, among the long-term unemployed, and among specific excluded groups.

**The project was restructured, or received Additional Financing during FY 07**

Additional loan financing of EUR 20.25 million was added to the project in FY07 in order to scale-up the Community Infrastructure for Development Initiative and to provide the Bulgarian Social Investment Fund with sufficient capital and time to adapt its structure, programs, and procedures for accessing European Union structural funds, in accordance with government priorities.

**Progress toward achieving development objective(s):**

Project implementation is progressing fast, and the project is steadily moving towards meeting its development objectives. The Community Infrastructure for Development Initiative component has shown particularly good performance in 2006 and 2007, with the implementation of 351 micro-projects. One year before the original project closing date more than 730,000 man-days of temporary and permanent work have been created, which is already 105 percent of the planned job creation. Of the people employed under the infrastructure micro-projects, 1250 were long-term unemployed. Beneficiaries report increasing satisfaction with the selection and results of the micro-projects and demand more Social Investment Fund services, which demonstrates the high esteem that local governments and communities are placing on the project. Social capital has also increased as a result of the project activities, with more than 50 new community partnerships created for direct community work.

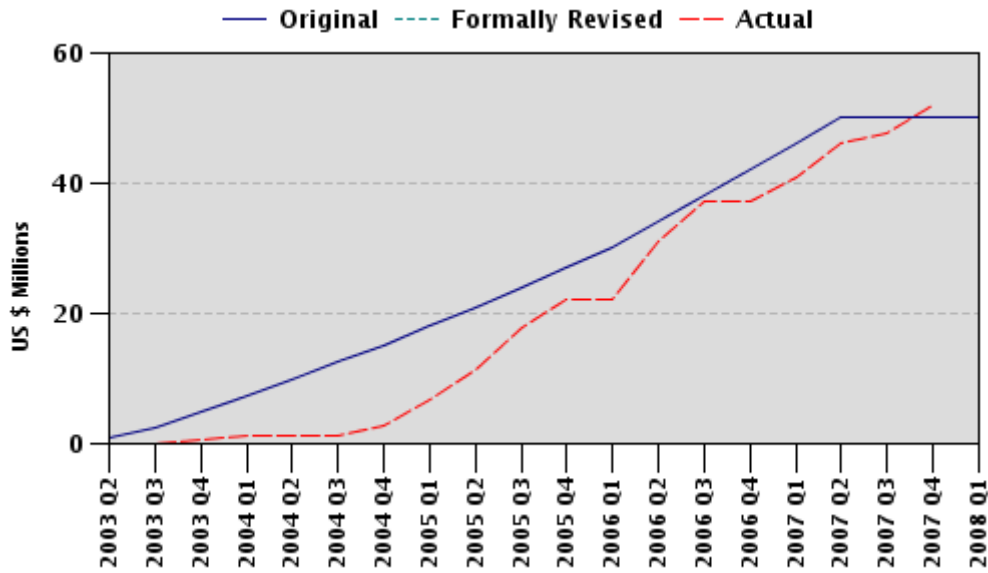
The Active Labor Market Initiative component is implementing its third round of contracts, with a total of 515 contracts already signed with various service providers under the first two rounds. This component has already reached more than 25,000 beneficiaries and exceeds the project's original target. In addition, the project is showing steady sustainability prospects, as the Government requested and received additional financing of EUR 15 million from the Bank to allow the Social Investment Fund to adjust to the budget cycle of the European Union's structural funds. The active labor market



component package of programs will become the basis for disbursement of EU structural funds by the end of 2007.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-26777	Closed	0.37	0.36	0.00	0.01
IBRD-46811	Not Effective	20.25	0.00	20.25	0.00
IBRD-46810	Effective	68.57	52.05	12.69	0.00



**Project Name (ID):** RARP ( P073427 )

**Country:** Bulgaria

**Board Approval Date :** 06/05/2003

**Midterm Review Date :** 06/21/2006

**Closing Date :** 06/30/2009

**Loan/Credit/Grant Number :** IBRD-46990, JPN-26692

**Sector(s):** Central government administration(85%), Compulsory pension and unemployment insurance(10%), Sub-national government administration(5%)

**Theme(s):** Tax policy and administration(P), Administrative and civil service reform(P), Law reform(S), Participation and civic engagement(S)

**Project Development Objectives:**

The objectives are (a) to establish an economically efficient public revenue collection system that facilitates private sector development and complies with EU requirements; and (b) prepare for the separation of central and municipal revenue collection functions.

**Progress toward achieving development objective(s):**

In the past year, project implementation has continued to progress smoothly and interim results have exceeded project targets. The first phase of the new revenue management software became operational in January 2007. Preparations are being finalized for the modernization of facilities.

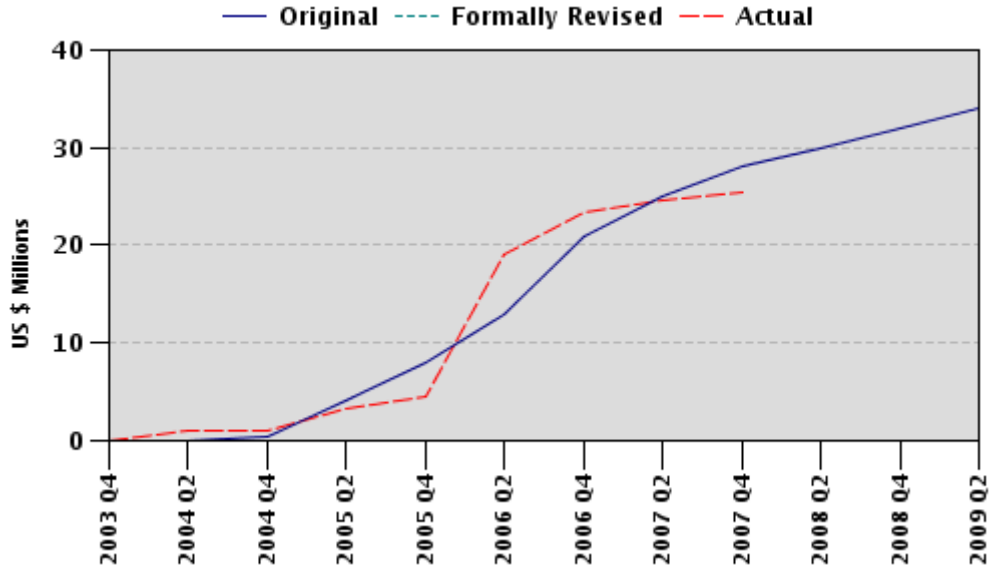
In 2006, revenue collection was about 15 percent higher than planned for taxes and about 7 percent higher for social security and health contributions. Since the start of the project, revenues have increased steadily despite reductions of tax and social contribution rates. Voluntary compliance rates have also improved substantially, while the cost of revenue collection has halved. The project can be considered to have already met its project objectives; final results are expected to further exceed initial targets.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-46990	Effective	43.06	25.44	14.83	0.00
JPN-26692	Closed	0.31	0.28	0.00	0.03



Status of Projects in Execution - FY07  
EUROPE AND CENTRAL ASIA REGION



**Project Name (ID):** Energy Efficiency (GEF) ( P084831 )

**Country:** Bulgaria

**Board Approval Date :** 03/22/2005

**Closing Date :** 03/31/2010

**Loan/Credit/Grant Number :** JPN-51713, MULT-54515, MULT-52641

**Sector(s):** Banking(55%), General energy sector(45%)

**Theme(s):** Climate change(P), Environmental policies and institutions(S), Other financial and private sector development(S)

**Project Development Objectives:**

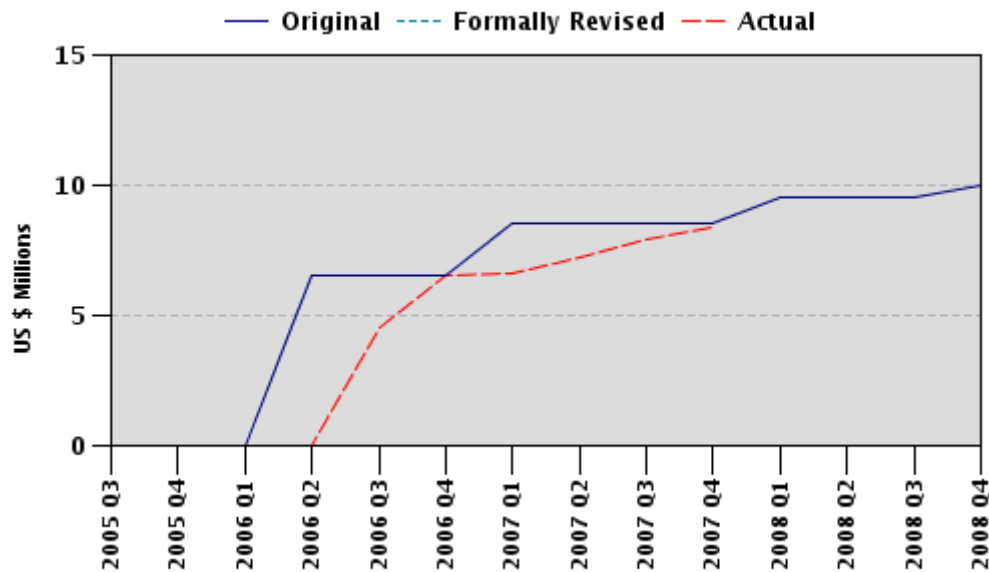
The global environment objective is to support a large increase in energy efficiency investments in Bulgaria through development of self-sustaining market-based financing mechanisms.

**Progress toward achieving development objective(s):**

The Bulgarian Energy Efficiency Fund (BEEF), established under the project, performs well. In its first year of business operation, about 30 energy efficiency projects have been approved for financing and a strong project pipeline has been built.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-51713	Closed	0.89	0.88	0.00	0.01
MULT-54515	Effective	10.00	8.44	1.56	0.00
MULT-52641	Closed	0.30	0.30	0.00	0.00



**Project Name (ID):** TTFSE 2 ( P094018 )

**Country:** Bulgaria

**Board Approval Date :** 03/21/2007

**Closing Date :** 06/30/2012

**Loan/Credit/Grant Number :** IBRD-48540

**Sector(s):** Sub-national government administration(60%), Central government administration(22%), Roads and highways(18%)

**Theme(s):** Trade facilitation and market access(P), Export development and competitiveness(S), Regional integration(S)

**Project Development Objectives:**

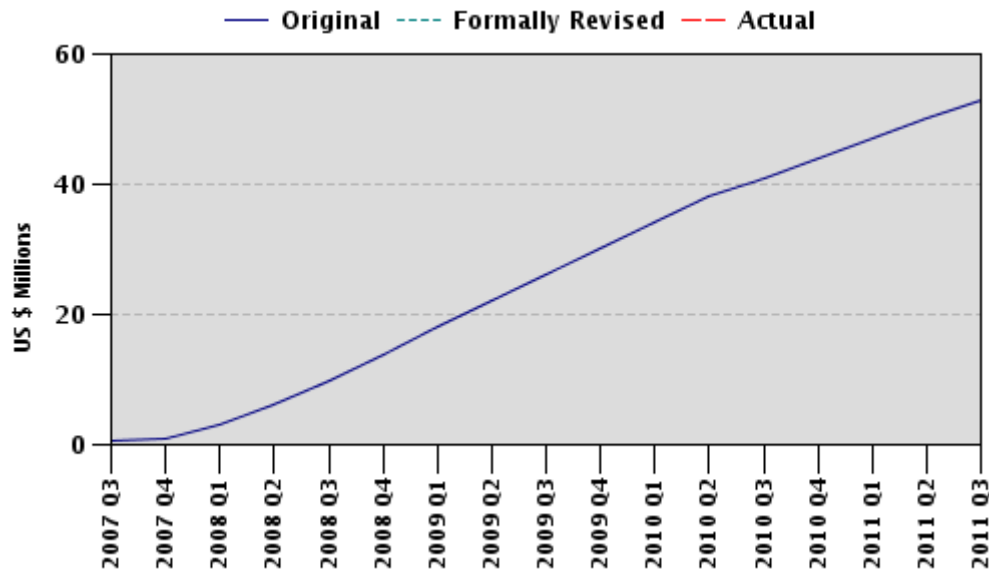
The development objective of the project is to facilitate trade by improving the capacity, efficiency, and quality of services at future European Union external border crossings on the Trans-European Transport Network.

**Progress toward achieving development objective(s):**

The project loan had just become effective before the close of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48540	Effective	55.20	0.00	55.20	0.00



**Project Name (ID):** Road Infrastructure Rehabilitation ( P099894 )

**Country:** Bulgaria

**Board Approval Date :** 06/26/2007

**Closing Date :** 06/30/2011

**Loan/Credit/Grant Number :** IBRD-48650

**Sector(s):** Roads and highways(96%), Central government administration(4%)

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

**Project Development Objectives:**

The objective is to assist Bulgaria to reduce road transport costs by improving the condition and quality of the roads network during the first years of European Union accession.

**Progress toward achieving development objective(s):**

The project loan was not yet effective before the close of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2007 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-48650	Not Effective	121.48	0.00	121.48	0.00

