

STATUS OF PROJECTS IN EXECUTION – FY07
SOPE
GEORGIA

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 report¹ contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

¹ 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: Georgia

Project Name (ID): Forestry (P044800)

Country: Georgia

Board Approval Date : 08/01/2002

Midterm Review Date : 11/20/2006

Closing Date : 06/30/2009

Loan/Credit/Grant Number : IDA-36990, JPN-25144, IDA-Q2120

Sector(s): Forestry(41%), Central government administration(41%), Agricultural extension and research(18%)

Theme(s): Environmental policies and institutions(P), Other environment and natural resources management(P), Rural services and infrastructure(S), Improving labor markets(S), Participation and civic engagement(S)

Project Development Objectives:

The objective is to establish sound forest management systems which would maximize the contribution of Georgia's forests to economic development and rural poverty reduction on an environmentally sustainable basis.

Progress toward achieving development objective(s):

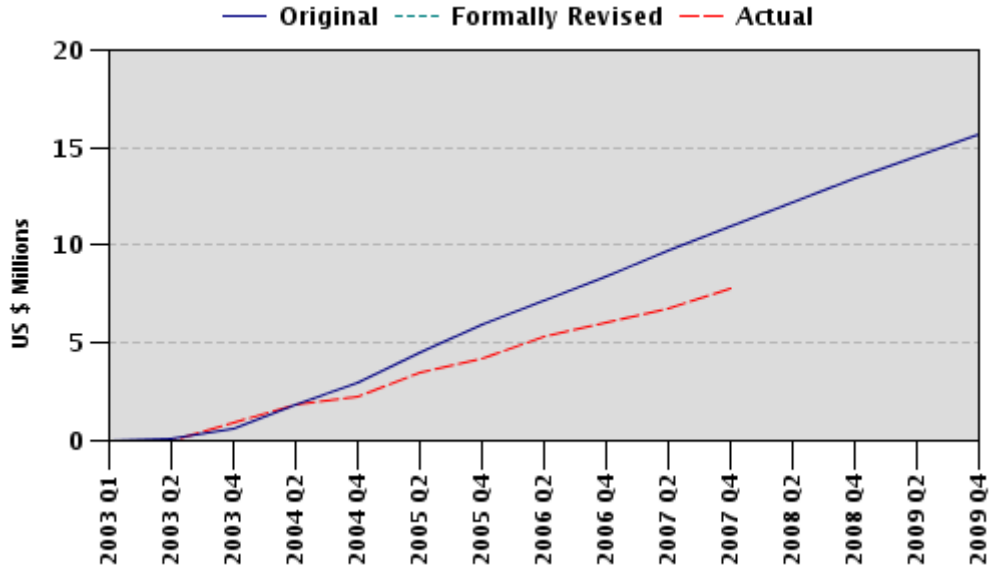
A mid-term review in December 2006 elaborated specific project restructuring proposals aimed at adjusting the main activities to the new economic policy environment in Georgia. However, with the announcement in Spring 2007 of a new forest sector reform approach, the government suspended work on most project activities, including a forest inventory and community forest pilots, nursery, reforestation and afforestation activities. Only limited activities (central and field office rehabilitation, provision of vehicles and uniforms for the Forestry Department) continued. No further progress has, therefore, been achieved.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36990	Effective	19.10	7.78	11.03	0.00
JPN-25144	Closed	0.32	0.32	0.00	0.00
IDA-Q2120	Closed	0.99	0.00	0.00	0.99



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



Project Name (ID): Protected Areas Development (GEF) (P048791)
Country: Georgia
Board Approval Date : 05/24/2001
Midterm Review Date : 06/09/2005
Closing Date : 12/31/2007
Loan/Credit/Grant Number : WBTF-20446, WBTF-23968
Sector(s): Forestry(70%), Central government administration(30%)
Theme(s): Biodiversity(P), Environmental policies and institutions(P), Participation and civic engagement(P)

Project Development Objectives:

The objective is to conserve Georgian biodiversity through the creation of three ecologically and socially sustainable protected areas in forest ecosystems, and to build capacity for mainstreaming biodiversity conservation into the production landscapes which connect them.

Progress toward achieving development objective(s):

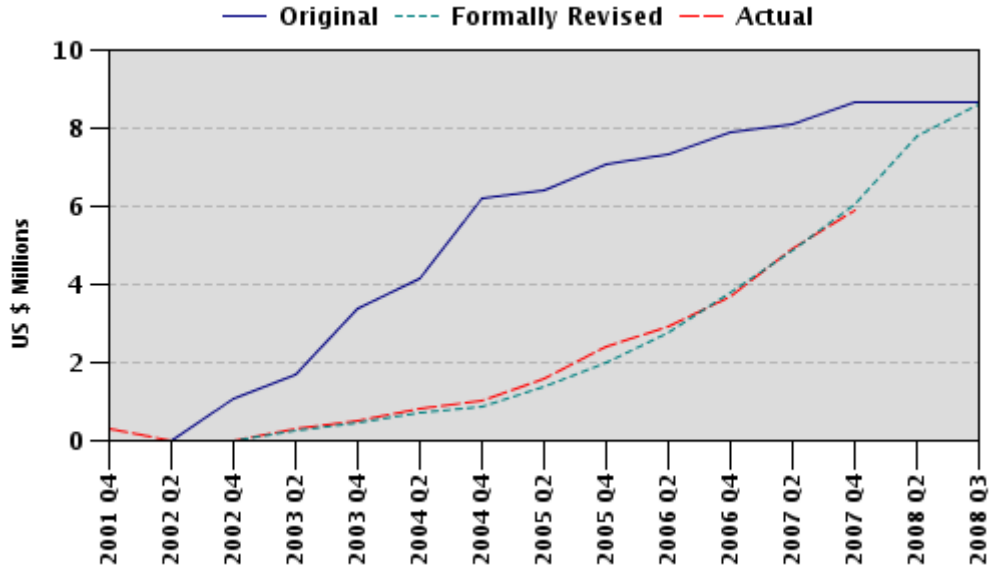
The project is making significant progress in conserving biodiversity through the creation and capacity building of the target protected areas in eastern Georgia as well as in improving the management of the national network of protected areas through strengthening its national authority. Four beneficiary protected areas have capable and dedicated administrations where infrastructure is being quickly developed. Sustainable nature tourism has already been initiated, and arrangements are in place for its further enhancement. Conservation objectives are fully respected and strongly followed. The government demonstrates strong leadership to further develop the national protected area system. Legislation for the establishment of two new major protected areas is already being reviewed by the government, and preparatory work is underway for planning at least four more. Georgia is developing momentum for regional cooperation in biodiversity conservation through its endeavor to engage with neighboring countries in the establishment and management of trans-boundary protected areas. Proposals for cooperation along this end with Turkey and Armenia have already been put forward.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
WBTF-20446	Closed	0.35	0.35	0.00	0.00
WBTF-23968	Effective	8.70	5.91	2.79	0.00



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



Project Name (ID): Electric Market Support (P054886)

Country: Georgia

Board Approval Date : 05/03/2001

Midterm Review Date : 02/14/2006

Closing Date : 12/31/2008

Loan/Credit/Grant Number : IDA-35020, IDA-35021, IDA-Q2270, JPN-25146

Sector(s): Power(100%)

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

Project Development Objectives:

The project aims to improve the reliability and efficiency of electricity supply, and improve financial and corporate management in the wholesale electricity market.

Progress toward achieving development objective(s):

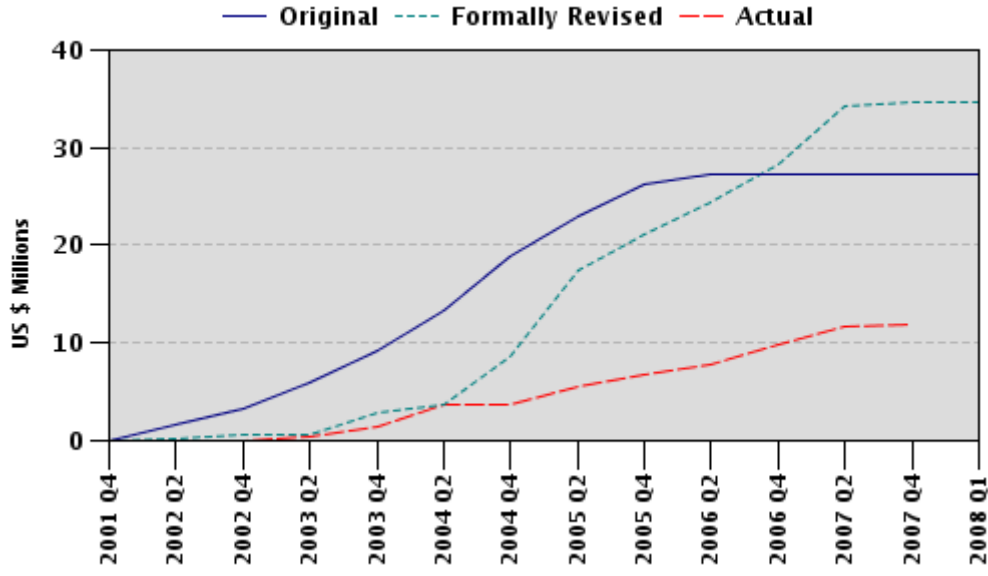
The Georgian power transmission company has dramatically improved its financial situation in fiscal year 2007 through much enhanced payment discipline among electricity consumers and an increase in power tariffs to cost-recovering levels in June 2006. Financial flows in the sector have also been positively impacted by a restructuring of the electricity wholesale market (move away from "single buyer" to direct contracting between generators and distributors). A management contractor has continued to improve the corporate management of the transmission company. A large supervisory control and data acquisition subcomponent is under implementation in 2007 and 2008 and will, when operational, increase system control and reliability of electricity supplies. The subcomponent's completion (and its disbursements) were delayed due to obstacles that no longer exist and the underestimation of the complexity in its implementation.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35020	Effective	31.98	10.67	20.90	0.00
IDA-35021	Effective	3.79	1.12	2.60	0.00
IDA-Q2270	Closed	1.00	0.00	0.00	1.00
JPN-25146	Closed	0.60	0.45	0.00	0.15



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



Project Name (ID): Irrigation/Drainage Rehab (APL #1) (P055068)

Country: Georgia

Board Approval Date : 06/28/2001

Midterm Review Date : 10/29/2004

Closing Date : 04/30/2008

Loan/Credit/Grant Number : JPN-25586, IDA-Q1090, IDA-H1760, IDA-35421, IDA-35420, CIDA-54294

Sector(s): Irrigation and drainage(55%), Central government administration(45%)

Theme(s): Rural services and infrastructure(P), Water resource management(P), Participation and civic engagement(P), Law reform(S)

Project Development Objectives:

The objective of the project is to increase agricultural production and farm incomes on about 110,000 ha by arresting further deterioration of irrigation and drainage infrastructure and keeping the operable infrastructure functional. With additional financing an additional objective—to improve and secure the sustainability of river flood protection works and irrigation headworks and canals—was added. If unattended, increased flooding occurrences and infrastructure damage, and subsequent human life and economic losses, could result.

Progress toward achieving development objective(s):

The government has renewed its focus on Amelioration Association development in the project areas, and irrigation and drainage system rehabilitation is ongoing. Better management of irrigation and drainage systems is expected to result in increases in agricultural production.

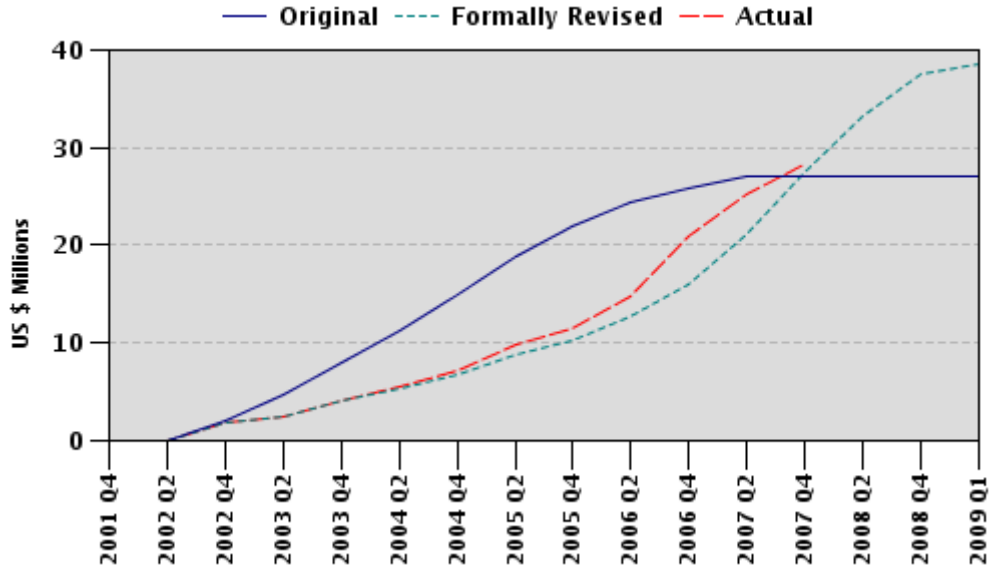
Reconstruction of flood-damaged levees and irrigation headworks is progressing well with good quality as a result of which the safety of benefiting communities against future floods has increased substantially.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-25586	Closed	0.92	0.88	0.00	0.03
IDA-Q1090	Closed	1.20	0.00	0.00	1.20
IDA-H1760	Effective	5.46	4.04	1.30	0.00
IDA-35421	Effective	8.18	4.02	4.05	0.00
IDA-35420	Effective	32.28	20.22	10.96	0.00
CIDA-54294	Effective	0.14	0.05	0.09	0.00



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



Project Name (ID): Education I (APL #1) (P055173)

Country: Georgia

Board Approval Date : 03/20/2001

Midterm Review Date : 05/17/2004

Closing Date : 06/30/2008

Loan/Credit/Grant Number : IDA-34740, IDA-Q2360, JPN-25587

Sector(s): Central government administration(43%), Primary education(16%), Secondary education(16%), Tertiary education(16%), Sub-national government administration(9%)

Theme(s): Education for all(P), Improving labor markets(P), Social analysis and monitoring(P)

Project Development Objectives:

The objective is to improve the learning outcomes of students to better prepare them to meet the demands of a market economy and a democratic society. This will be achieved by improving the quality and relevance of primary and general secondary education.

Progress toward achieving development objective(s):

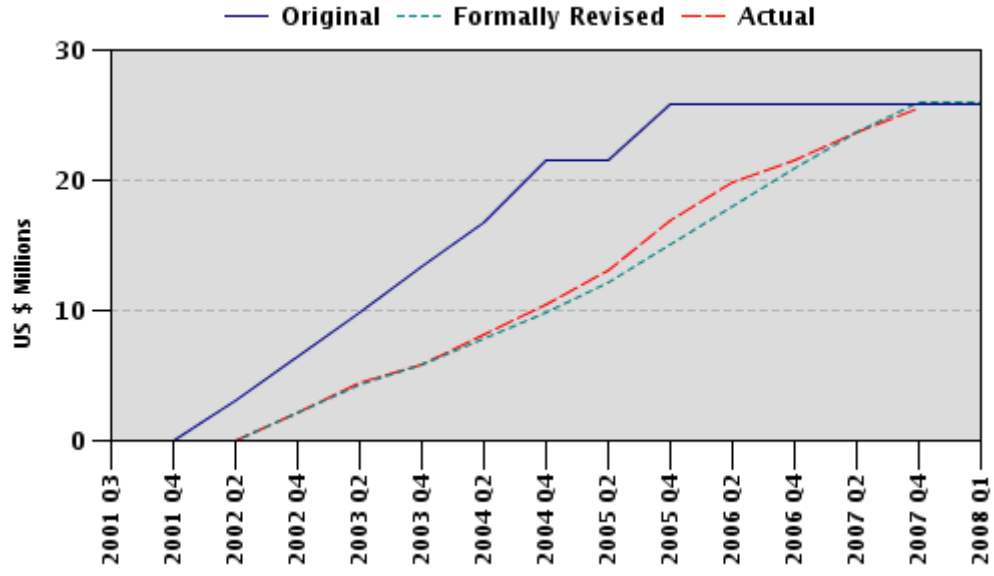
The project continues to support the government's education reform program with good results in all of the key areas. The curriculum and teacher reforms are well advanced. The National Assessment and Examination Center continues to make good progress in both examination and assessment areas. For the first time Georgia participated in one of the international assessments, the Progress in International Reading Literacy Study (PIRLS) 2006, which will enable the country to assess the progress of student learning outcomes against international benchmarks. It is expected that this will help to set up an effective quality monitoring system.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34740	Effective	30.16	25.47	3.28	0.00
IDA-Q2360	Closed	1.15	0.00	0.00	1.15
JPN-25587	Closed	0.38	0.38	0.00	0.00



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



Project Name (ID): Public Sector Financial Management REF (P063081)

Country: Georgia

Board Approval Date : 02/16/2006

Closing Date : 03/01/2010

Loan/Credit/Grant Number : JPN-51131, JPN-26116, IDA-H2050

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

Theme(s): Administrative and civil service reform(P), Public expenditure, financial management and procurement(P), Other accountability/anti-corruption(P), Other public sector governance(S)

Project Development Objectives:

The development objective is to increase efficiency, effectiveness, and accountability in the use of public resources.

Progress toward achieving development objective(s):

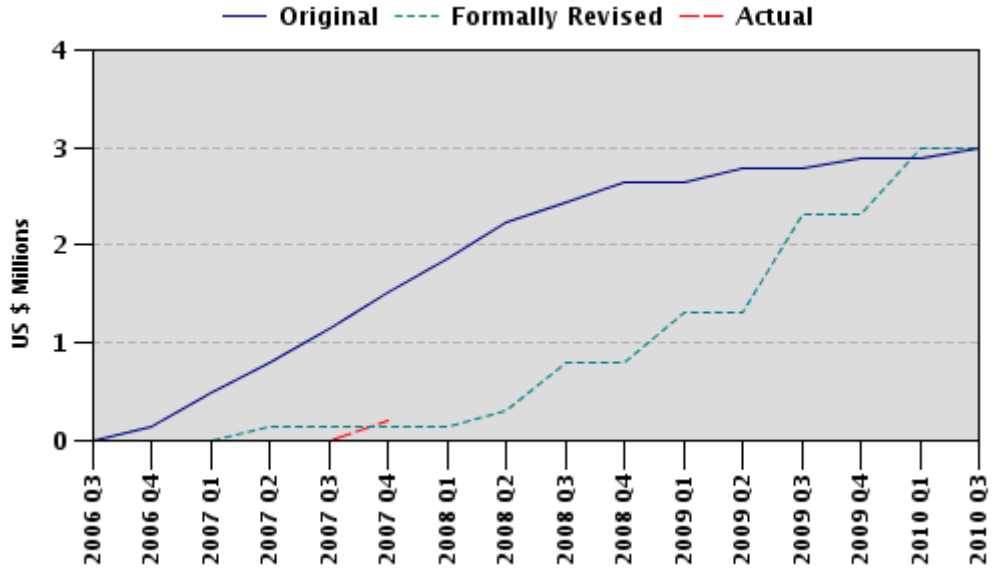
The project is still in the first year of implementation and has been progressing well. As a result of the medium-term expenditure framework initiative, budget planning has improved, particularly in the quality of the ministry action plans. A new budget classification following GFS 2001 standards has been introduced and the Ministry of Finance has provided related training for spending units. To strengthen capacity of the supreme audit institution, 315 out of its 400 professional staff have enrolled for training; 169 of them have passed at least one of the two professional examinations with an average 92% success rate in each exam.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-51131	Closed	0.49	0.35	0.00	0.14
JPN-26116	Closed	0.38	0.00	0.00	0.38
IDA-H2050	Effective	3.18	0.16	3.02	0.00



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



Project Name (ID): SIF (P039929)

Country: Georgia

Board Approval Date : 12/11/1997

Midterm Review Date : 12/10/2000

Closing Date : 09/30/2007

Loan/Credit/Grant Number : IDA-30200, IDA-30201, JPN-29687, IDA-Q0360

Sector(s): Other social services(30%), Primary education(23%), Health(23%), General water, sanitation and flood protection sector(22%), Central government administration(2%)

Theme(s): Rural services and infrastructure(P), Participation and civic engagement(P), Improving labor markets(P), Small and medium enterprise support(S)

Project Development Objectives:

The objective is to support vulnerable groups, particularly those in remote areas, and provide them access to basic social and economic services on a sustainable basis, through rehabilitation of existing social and economic infrastructures.

Progress toward achieving development objective(s):

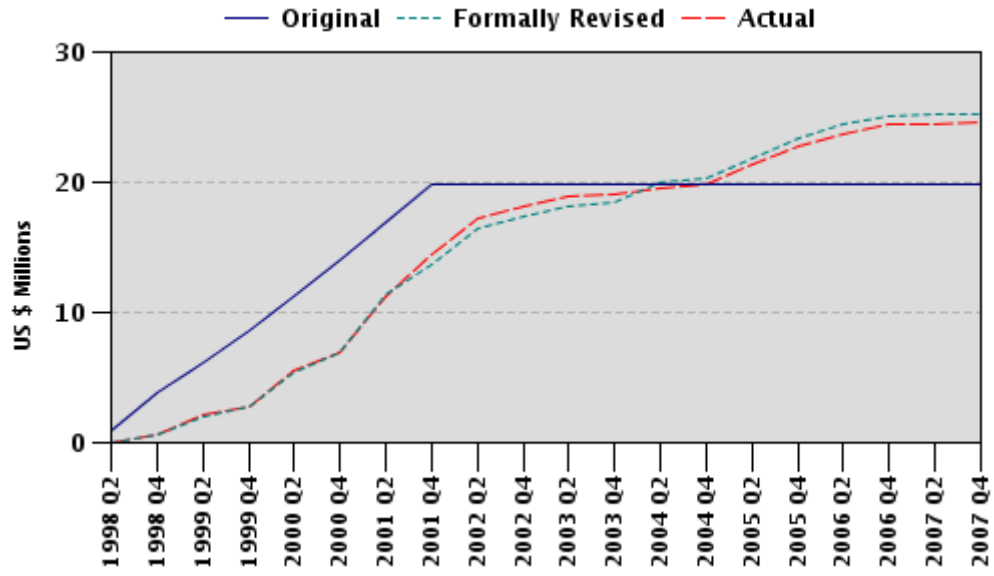
All activities under this project were implemented in 2003 and its development objective was achieved: poorest groups of Georgian population gained improved access to basic social and economic services through rehabilitated infrastructure. The loan closing was extended and a supplemental credit provided in 2003 exclusively for rehabilitation of schools in Tbilisi as an emergency response to the damaged by the April 2002 earthquake. The 22 schools have been fully rehabilitated, and the education process has been resumed in these schools. The results of comprehensive Beneficiary Assessment (done in 2002-2003) enhanced the design of the follow-on Second Social Investment Fund Project.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-30200	Closed	21.72	19.12	0.00	0.00
IDA-30201	Effective	5.61	5.46	0.00	0.00
JPN-29687	Closed	0.42	0.42	0.00	0.00
IDA-Q0360	Closed	0.50	0.00	0.00	0.50



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



Project Name (ID): Primary Health Care Development (P040555)

Country: Georgia

Board Approval Date : 08/01/2002

Midterm Review Date : 05/21/2007

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IDA-37020, JPN-51330, JPN-29685, IDA-Q3240

Sector(s): Health(80%), Central government administration(15%), Compulsory health finance(5%)

Theme(s): Health system performance(P), Rural services and infrastructure(P), Child health(S), Population and reproductive health(S), Law reform(S)

Project Development Objectives:

The objective is to improve coverage and utilization of quality primary health care based on a model of family medicine/general practice, especially for the poor and disadvantaged.

Progress toward achieving development objective(s):

The project has made substantial progress in achieving its development objectives. The national Primary Health Care Master Plan that ensures that 90.4 percent of the population has an access to a primary health care clinic within 15 minutes was developed under the project. Thus far that target has been met for 71 percent of the rural population in the target areas (Imereti, Adjara, Shida Kartli regions).

The utilization rate of primary health care services on a national level has increased, and, the nationwide proportion of infants that receive the DPT3 vaccine on time has increased 10 percent from the baseline in 2003. Pregnant women who have had at least 4 perinatal visits increased 7.5 percent from the baseline.

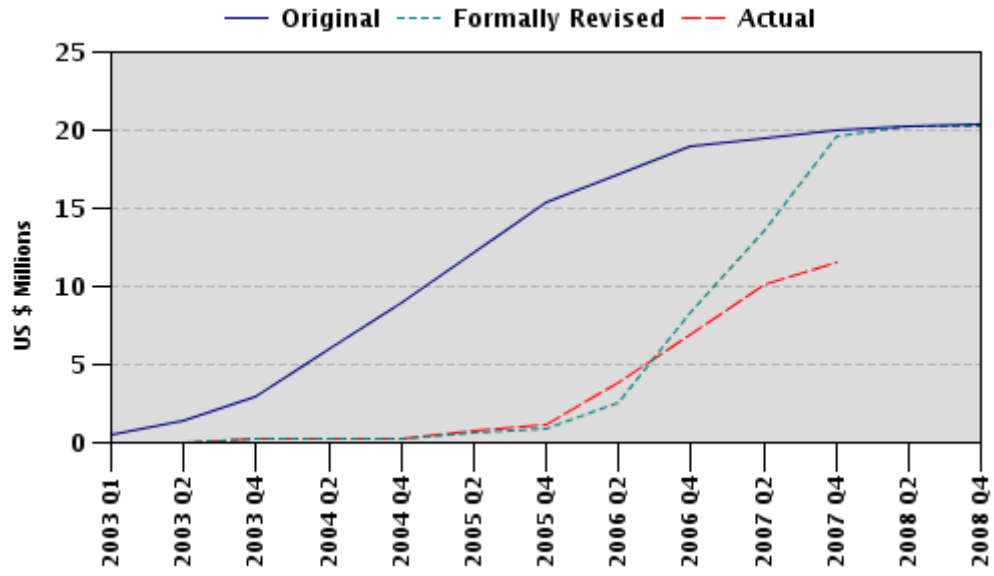
The project has: (a) rehabilitated 103 primary health care clinics; (b) provided training to over 300 doctors and nurses in family medicine; (c) extended the national family medicine training capacity by establishing regional training centers in Kutaisi and Batumi; (d) institutionalized a residency program in family medicine at the State Medical University; (e) developed 8 clinical guidelines in order to improve the quality of primary health care services; and (f) improved the capacity of the Ministry of Health for evidence based policy development.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37020	Effective	24.40	11.45	12.61	0.00
JPN-51330	Effective	0.48	0.37	0.10	0.00
JPN-29685	Closed	0.50	0.37	0.00	0.13
IDA-Q3240	Closed	0.43	0.00	0.43	0.00



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



Project Name (ID): Agriculture Research Ext. and Training (P065715)

Country: Georgia

Board Approval Date : 05/11/2000

Midterm Review Date : 04/25/2003

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IDA-33470

Sector(s): Agricultural extension and research(91%), Central government administration(9%)

Theme(s): Technology diffusion(P), Participation and civic engagement(P), Rural markets(P), Rural services and infrastructure(P)

Project Development Objectives:

The overall development objective of the project is to develop an efficient and cost-effective agricultural knowledge system to demonstrate, disseminate and promote the adoption of appropriate technologies that increase sustainable agricultural production and reduce pollution of natural resources.

Progress toward achieving development objective(s):

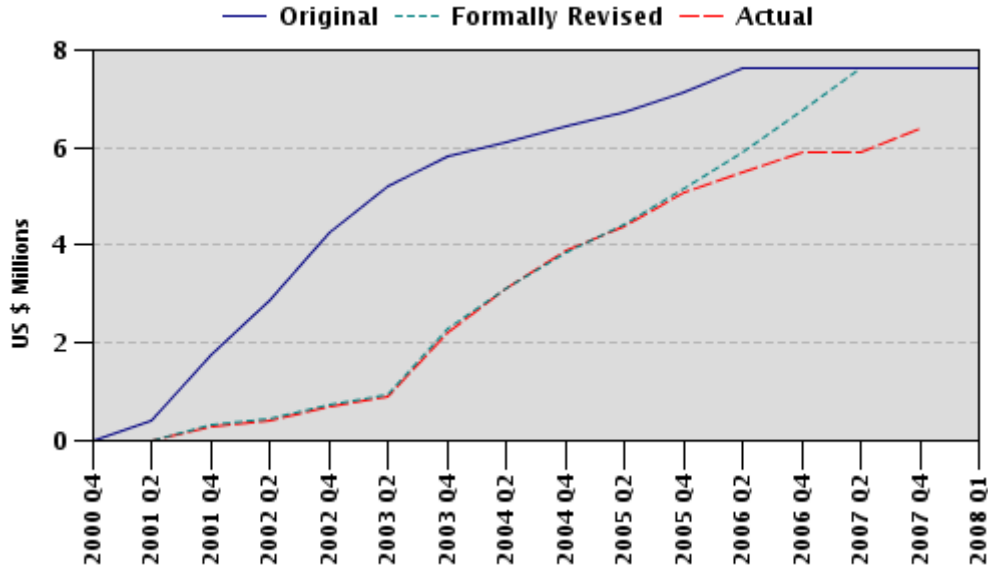
The project is succeeding in developing key elements of a modern agricultural knowledge system in Georgia. The competitive grant scheme for extension of appropriate agricultural technologies has been piloted and then operated through three full-scale rounds. This model is now mainstreamed nationwide. The target beneficiary, the scientific research Institute of Horticulture, Viticulture and Oenology, achieved major progress in restructuring its institutional set-up, optimizing and rejuvenating the staff, developing client services, and better integrating into the international scientific community. By project completion the largest and top priority fields of Georgia's agriculture, horticulture and viticulture, will be covered by a fully functional institution capable of providing scientific support, laboratory services, extension, training, and advice to a variety of clientele.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33470	Effective	8.34	6.43	1.45	0.00



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



Project Name (ID): Energy Transit Institution Building (P072394)

Country: Georgia

Board Approval Date : 03/13/2001

Midterm Review Date : 11/15/2003

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IDA-34730

Sector(s): Central government administration(62%), Oil and gas(29%), Law and justice(9%)

Theme(s): Environmental policies and institutions(P), Pollution management and environmental health(P), Other trade and integration(P), Other rule of law(S)

Project Development Objectives:

The project aims to enhance Georgia's capacity to negotiate and implement oil and gas transit agreements in a manner that maximizes economic benefits, and minimizes social and environmental costs.

Progress toward achieving development objective(s):

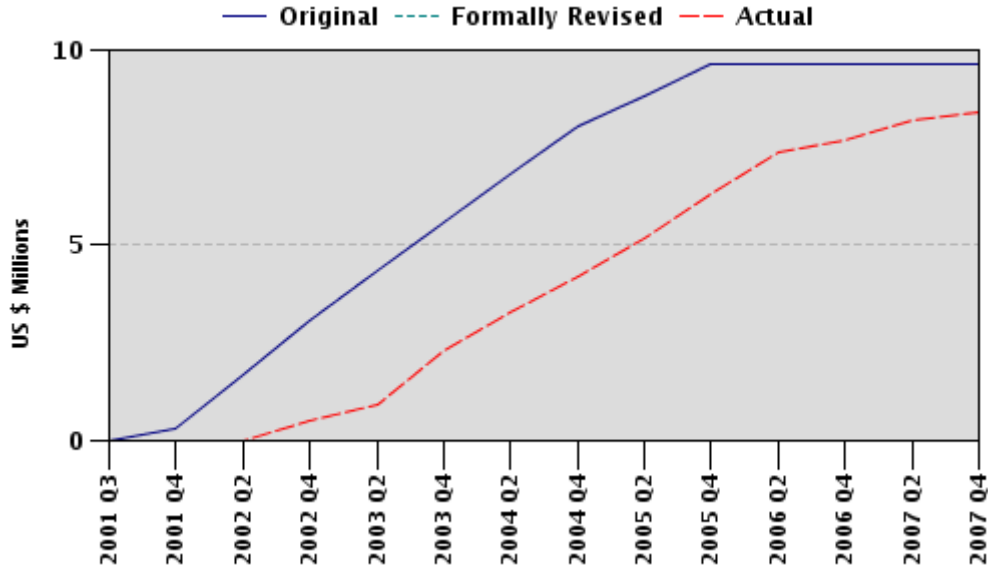
The project is in its final stage. Most of the project benefits have been realized. Construction of the transit pipeline has started on the basis of an approved environmental and social impact assessment and a Host Government Agreement for the transit of oil and gas and the purchase of natural gas. The government is monitoring the construction and operation of the transit pipelines, relying heavily on its own resources, rather than on technical assistance. National marine and land based oil spill response plans have been finalized, and a unit for spill response management has been set up in Ministry of Environment. Both implementing agencies prepare their financial statements in accordance with international accounting standards.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34730	Effective	11.52	8.43	2.58	0.00



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



Project Name (ID): SIF 2 (P074361)

Country: Georgia

Board Approval Date : 05/15/2003

Midterm Review Date : 05/31/2006

Closing Date : 12/31/2007

Loan/Credit/Grant Number : IDA-37580, JPN-26883

Sector(s): Other social services(25%), General energy sector(20%), General water, sanitation and flood protection sector(20%), General education sector(20%), Health(15%)

Theme(s): Social safety nets(P), Participation and civic engagement(P), Improving labor markets(P), Rural services and infrastructure(P), Decentralization(P)

Project Development Objectives:

The objectives are to: (a) enhance local self-governments' management skills and a participatory process in establishing local priorities and implementing local development plans, (b) enhance the ability of participating poor communities to apply for, manage, and use micro-projects in a sustainable manner, and (c) improve the social and economic infrastructure and related services in the participating poor communities.

Progress toward achieving development objective(s):

Notable progress is observed in implementation. The loan closing was extended to facilitate the implementation of four new micro-projects recently approved by the Municipal Development fund of Georgia. By end of the project, more than 250 communities will be mobilized; and 225 micro-projects, completed.

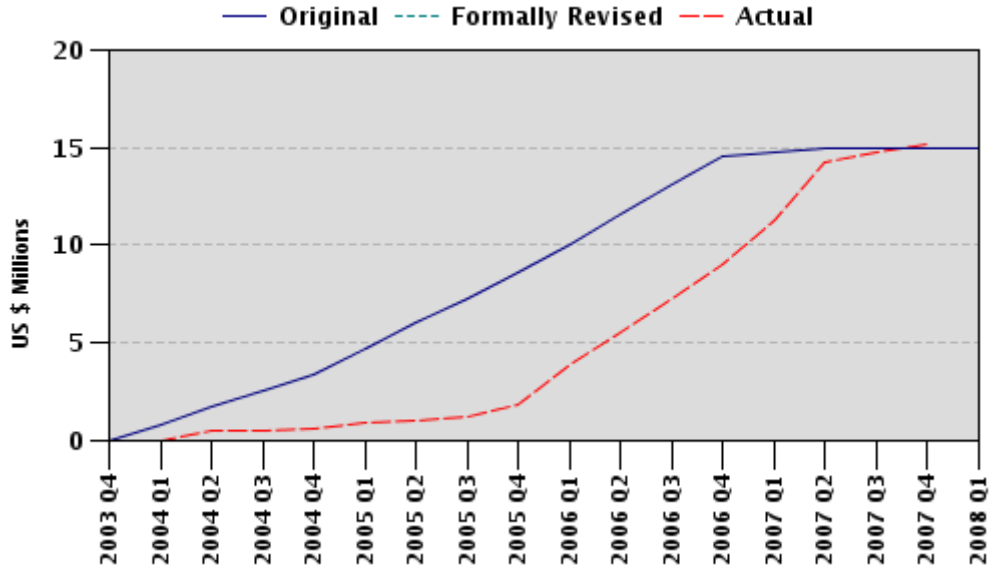
The project contributed towards the building of local government capacity in applying participatory decision making process for the development of the local development plans and selection of priority communities for social infrastructure improvement. In all 225 participating communities, community-based organizations or community development committees took active role in the preparation of the proposals as well as the supervision of micro-project implementation and maintenance.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37580	Effective	16.67	15.20	1.04	0.00
JPN-26883	Closed	0.43	0.26	0.00	0.17



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



Project Name (ID): Municipal Development and Decentralization 2 (P077368)

Country: Georgia

Board Approval Date : 08/01/2002

Midterm Review Date : 12/11/2004

Closing Date : 12/30/2007

Loan/Credit/Grant Number : IDA-37010

Sector(s): Roads and highways(21%), Housing construction(20%), General water, sanitation and flood protection sector(20%), Health(20%), Sub-national government administration(19%)

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

Project Development Objectives:

The objective is to increase the effectiveness of participating local government units in identification, planning, delivery and cost recovery of investment projects for local infrastructure and utility services.

Progress toward achieving development objective(s):

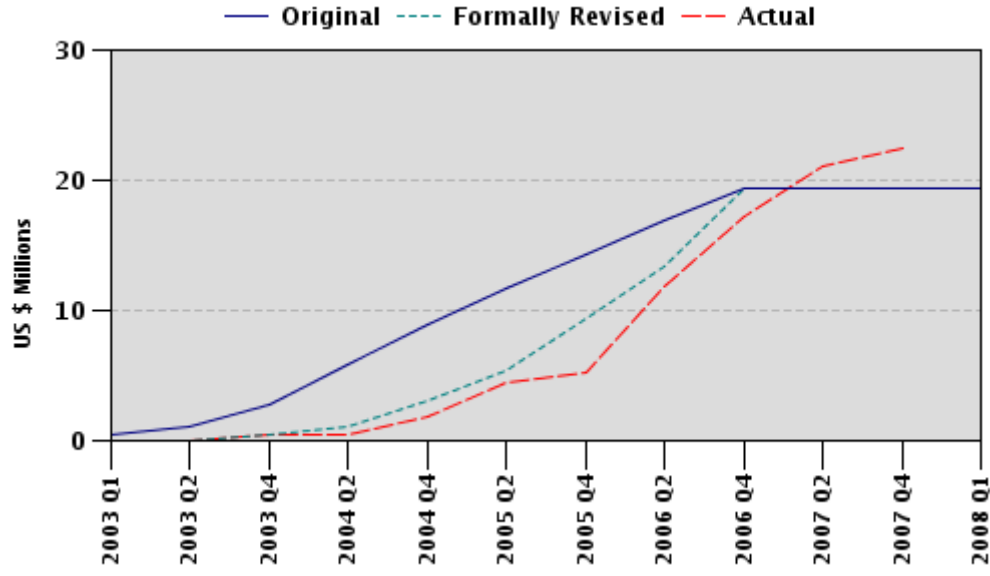
Significant progress has been made toward the development objective. After actively assisting five Republican cities and eight local self-governments to identify and prioritize their most needed physical investments, the Municipal Development Fund consolidated its financial resources on 40 high priority investment projects located in five Republican cities and four local self-governments which passed the credit-worthiness tests. Currently, almost all works are completed with the exception of two water sub-projects in Batumi and Ozurgeti, which are at final stage of completion. Performance of the technical assistance portion of the project has also maintained progress to support municipal development and the legal framework of decentralization.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37010	Effective	23.34	22.42	0.12	0.00



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



Project Name (ID): Rural Development (P078544)

Country: Georgia

Board Approval Date : 05/17/2005

Closing Date : 06/30/2010

Loan/Credit/Grant Number : IFAD-4610, IFAD-4600, IDA-40620, JPN-52420, JPN-54362

Sector(s): Crops(50%), Agro-industry(35%), Central government administration(12%), Agricultural extension and research(3%)

Theme(s): Rural markets(P), Export development and competitiveness(P), Rural policies and institutions(S), Law reform(S), Regional integration(S)

Project Development Objectives:

The objective is to develop the productivity and profitability of the private agriculture sector by facilitating access of Georgia's mainly small and medium-scale farmers to supply chains, improving the competitiveness of the supply chains and strengthening the capacity of selected agricultural and financial institutions to serve private-sector agricultural market activity.

Progress toward achieving development objective(s):

The project is progressing slower than originally anticipated, but progress has been made towards achieving the development objective. The commercial credit line has been established, and three banks are participating, with a fourth bank being evaluated for eligibility.

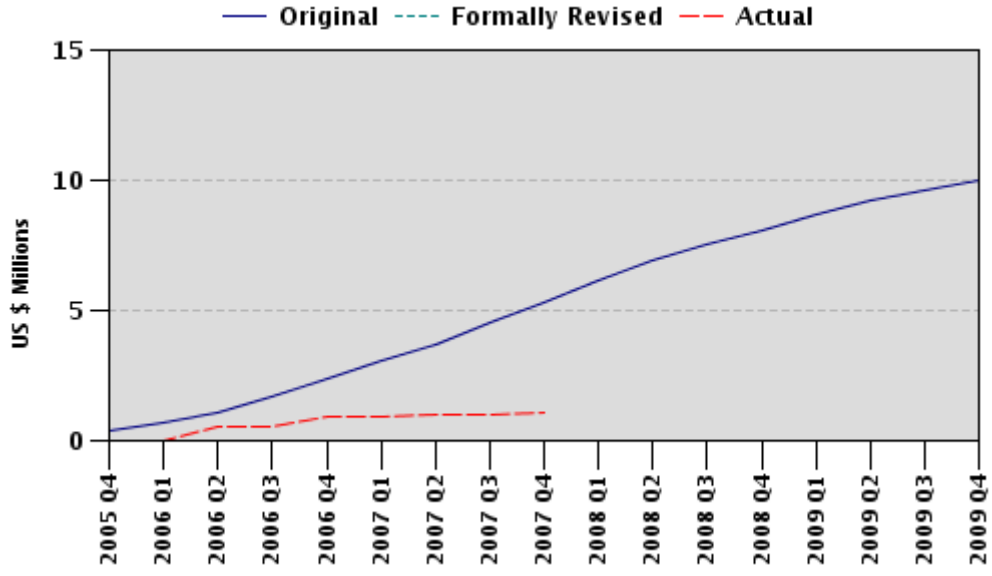
Support to the Ministry of Agriculture for its newly developed Food Safety Agency has been started under the institutional modernization component. The supply chain component is actively working in the citrus sector export support.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IFAD-4610	Effective	0.83	0.10	0.73	0.00
IFAD-4600	Effective	9.27	0.58	8.67	0.00
IDA-40620	Effective	10.00	1.14	8.82	0.00
JPN-52420	Closed	0.67	0.67	0.00	0.00
JPN-54362	Effective	4.50	0.38	4.12	0.00



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



Project Name (ID): Highway Improvement 1 (P083110)

Country: Georgia

Board Approval Date : 12/05/2006

Closing Date : 02/28/2011

Loan/Credit/Grant Number : IDA-42480

Sector(s): Roads and highways(94%), General transportation sector(3%), Central government administration(2%), Tertiary education(1%)

Theme(s): Infrastructure services for private sector development(P), Administrative and civil service reform(P), Injuries and non-communicable diseases(S), Legal institutions for a market economy(S)

Project Development Objectives:

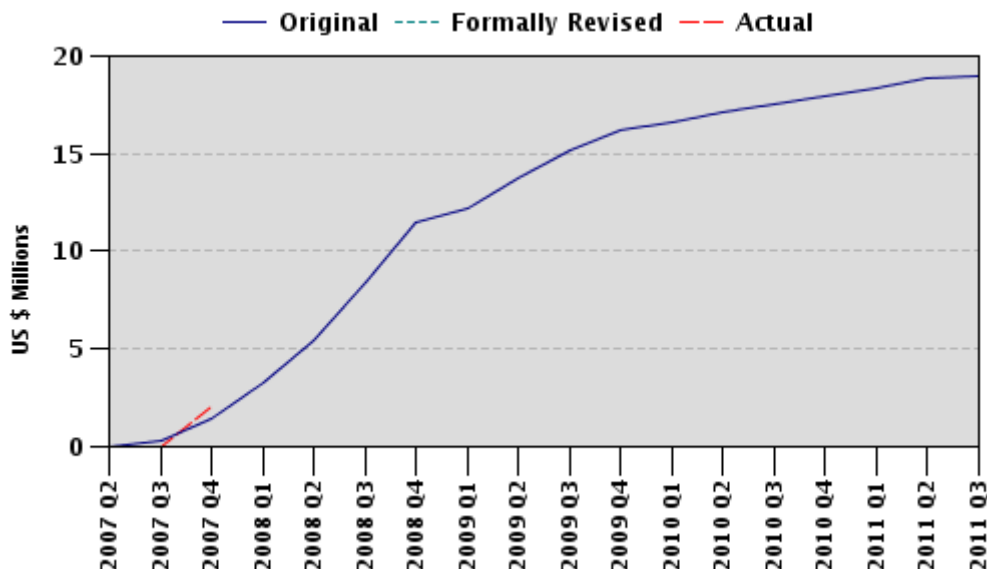
The project development objectives are: (a) to contribute to the gradual reduction of road transport costs and improve access, ease of transit, and safety along the central part of Georgia's East-West corridor, through upgrading a segment of the East-West Highway from Tbilisi to Rikoti; and (b) to strengthen the capacity of the Government, the Road Department of the Ministry of Economic Development and the local road construction industry to plan and better manage the road network.

Progress toward achieving development objective(s):

Progress is being made toward accomplishing the project objectives. The client has made progress towards implementing the technical assistance component. The contract for the works has been awarded, and the supervision contractor is on board.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-42480	Effective	19.55	2.00	17.55	0.00



Project Name (ID): Sec/Local Roads (P086277)

Country: Georgia

Board Approval Date : 06/24/2004

Midterm Review Date : 10/02/2006

Closing Date : 10/31/2009

Loan/Credit/Grant Number : IDA-39380

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

Theme(s): Rural services and infrastructure(P), Infrastructure services for private sector development(P), Participation and civic engagement(S), Decentralization(S)

Project Development Objectives:

The project development objectives are to: (a) improve the economic and social well-being of the rural population in selected areas; (b) improve the effectiveness of the Road Department of the Ministry of Infrastructure and Development in maintaining a cost effective and sustainable secondary and local road network; and (c) improve the effectiveness of the Road Department in interacting with local communities and responding to local needs.

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

The credit agreement was amended to adjust the targeted length of secondary and local roads to be rehabilitated from 500-750 km to approximately 250 km (including 75km of local roads) for two reasons. First the government is contributing far more to road maintenance than expected at the time of appraisal and the is willing to consider more durable investments for the roads that are being repaired. Second, the cost of bitumen has tripped since appraisal, leading to a 25-30 percent increase in the cost of the rehabilitation works. Importantly, the client is committed to financing out of its own budget those roads that were appraised but will not be financed under the project.

Progress toward achieving development objective(s):

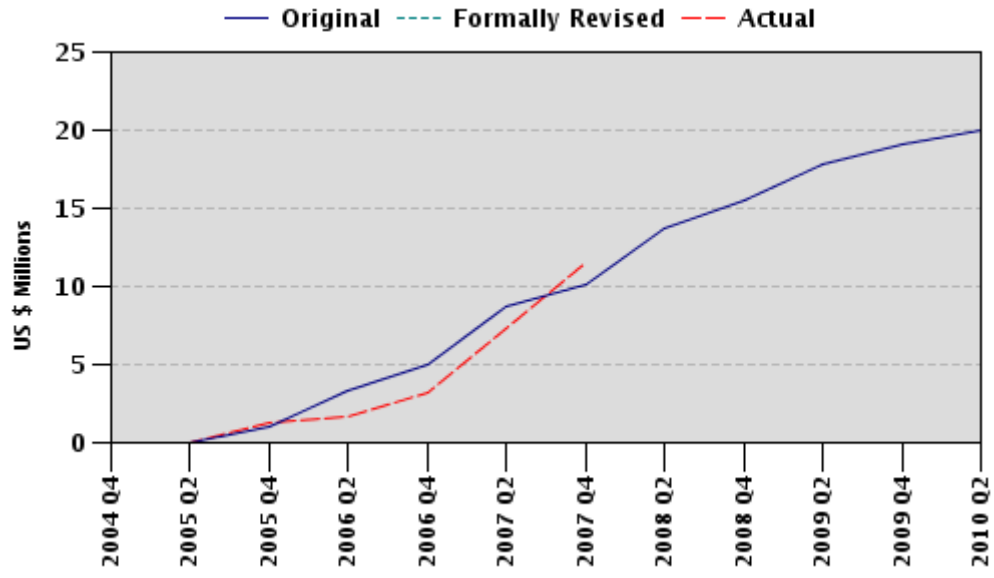
Implementation of the technical assistance and institution building is progressing well as all consulting assignments are either finalized or underway. Road rehabilitation works are well under way, and the project is likely to close about one year ahead of schedule.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39380	Effective	20.91	11.62	9.13	0.00



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



Project Name (ID): Education II (APL #2) (P098217)

Country: Georgia

Board Approval Date : 11/15/2006

Closing Date : 12/31/2009

Loan/Credit/Grant Number : JPN-57515, IDA-42460

Sector(s): Central government administration(50%), Primary education(20%), Secondary education(20%), Tertiary education(10%)

Theme(s): Education for all(P), Education for the knowledge economy(S), Law reform(S)

Project Development Objectives:

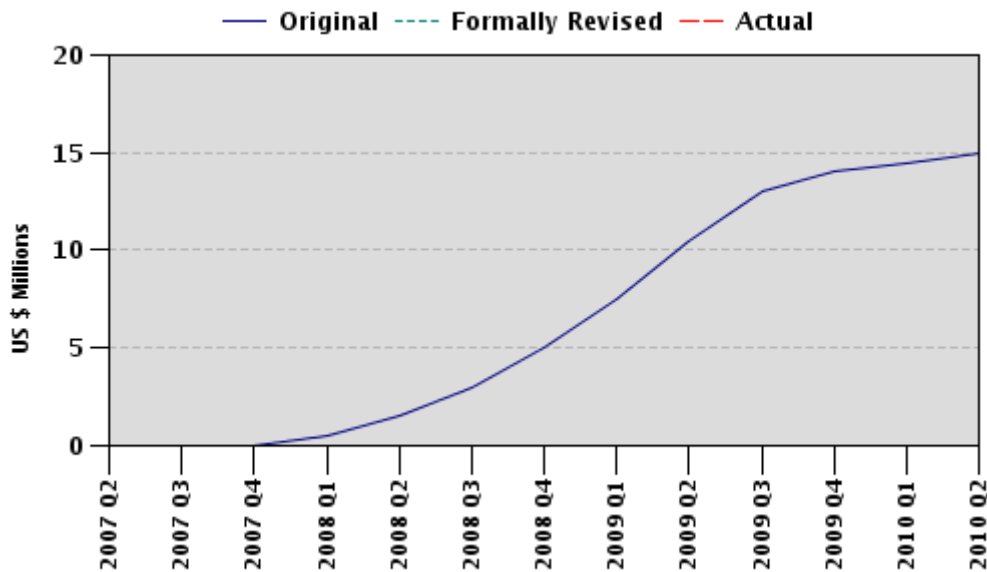
The development objective of this project is to increase the quality and efficiency of primary and secondary education in Georgia through the implementation of the institutional and policy framework developed under the first-phase project, as well as the reconstruction of schools in dire physical condition.

Progress toward achieving development objective(s):

The project loan was approved in December 2006 and became effective in January 2007. There are no tangible results to report at this time.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-57515	Not Effective	4.95	0.00	4.95	0.00
IDA-42460	Effective	15.46	0.00	15.46	0.00



Project Name (ID): Infrastructure Pre-Investment Facility (P098850)

Country: Georgia

Board Approval Date : 02/16/2006

Closing Date : 09/30/2009

Loan/Credit/Grant Number : IDA-H2040

Sector(s): Power(56%), Roads and highways(35%), Railways(9%)

Theme(s): Infrastructure services for private sector development(P), Trade facilitation and market access(S), Export development and competitiveness(S)

Project Development Objectives:

The development objective of the project is to facilitate infrastructure investments that have strategic importance and/or special complexity by ensuring that proper feasibility work is carried out in a timely manner in order to enable the government to make sound investment decisions and, where appropriate, to proceed expeditiously with further preparatory steps and mobilize adequate financing for implementation.

Progress toward achieving development objective(s):

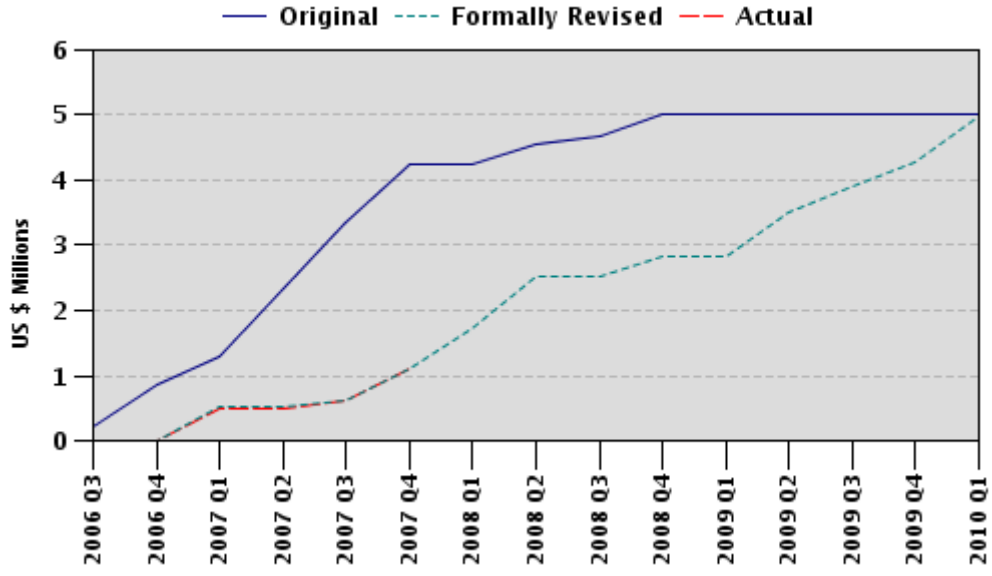
Progress towards achieving the project objectives under the Technical Assistance for Preparation of Transit Corridor Projects Component has been substantial. Specifically, studies for upgrading the East-West Highway Section 1 (Agaiani-Igoeti) have been completed and a respective investment project (IDA financed) is already underway; studies for East-West Highway Sections 2 (Igoeti by-pass) and 3 (Igoeti-Sveneti) are at the very late stage of implementation and respective investment projects (IDA financed) are currently under preparation. Progress under the Technical Assistance for the Khudoni Hydropower Project Preparation Component has been lagging behind targets as studies for preparation of this investment project are at the relatively early stage of implementation.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2040	Effective	5.30	1.07	4.22	0.00



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



Project Name (ID): Avian Flu (P099808)

Country: Georgia

Board Approval Date : 05/31/2006

Closing Date : 08/31/2009

Loan/Credit/Grant Number : EECT-57342, IDA-41790, IDA-H2280, IFAD-4580, IFAD-4590, JPN-56631

Sector(s): General public administration sector(41%), Health(34%), Agricultural extension and research(20%), Other social services(5%)

Theme(s): Rural services and infrastructure(P), Other communicable diseases(P), Health system performance(S), Pollution management and environmental health(S), Participation and civic engagement(S)

Project Development Objectives:

The overall development objective of the project is to minimize the threat posed to humans and the poultry industry in Georgia by the highly pathogenic avian influenza (HPAI) and other zoonoses in domestic poultry, and to prepare for, control, and respond to influenza pandemics and other infectious disease emergencies in humans.

Progress toward achieving development objective(s):

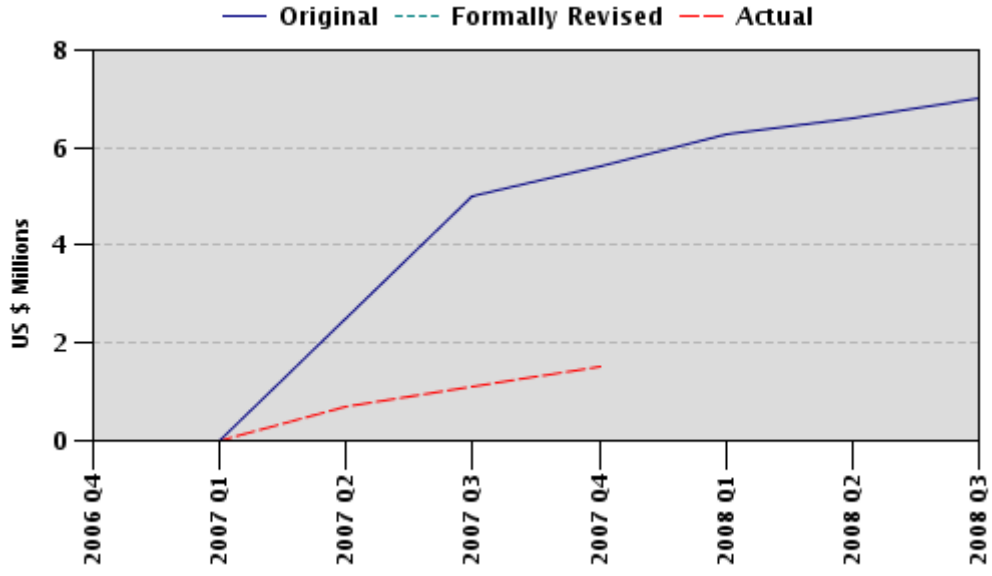
The project is making progress towards meeting its development objective. A draft contingency plan for animal health has been prepared. Emergency supplies are available at strategic locations. A draft compensation manual has been prepared but has not yet been approved.

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

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
EECT-57342	Effective	1.60	0.28	1.32	0.00
IDA-41790	Effective	3.79	0.56	3.22	0.00
IDA-H2280	Effective	3.79	0.92	2.86	0.00
IFAD-4580	Not Effective	3.68	0.00	3.68	0.00
IFAD-4590	Closed	3.68	0.00	3.68	0.00
JPN-56631	Effective	1.40	0.15	1.26	0.00



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



Project Name (ID): PRSO 3 (P099882)

Country: Georgia

Board Approval Date : 06/14/2007

Closing Date : 01/31/2008

Loan/Credit/Grant Number : IDA-43210

Sector(s): General public administration sector(30%), General energy sector(25%), General industry and trade sector(20%), Other social services(20%), General education sector(5%)

Theme(s): Public expenditure, financial management and procurement(P), Social safety nets(P), Infrastructure services for private sector development(P), Other social development(S), Other accountability/anti-corruption(S)

Project Development Objectives:

This operation will support policy reforms with the objectives to (a) fight corruption, (b) reduce the burden of the state on the economy, (c) move the energy sector towards higher efficiency and sustainability, (d) lay the basis for higher employment and rising standards of living, and (e) develop a fiscally-sustainable social safety net.

Progress toward achieving development objective(s):

The loan agreement became effective only on July 3, 2007. It is, therefore, too soon to report on results in meeting the development objectives.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-43210	Not Effective	20.16	0.00	20.16	0.00

