

STATUS OF PROJECTS IN EXECUTION – FY08

EUROPE AND CENTRAL ASIA REGION

COUNTRY: BULGARIA

**Operations Policy and Country Services
October 11, 2008**



Introduction

The Status of Projects in Execution (SOPE) Report for FY08 provides information on all IBRD/IDA projects that were active as of June 30, 2008. For the first time, the SOPE report will include recipient-executed projects (over US\$ 5 million). 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 FY08 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.
- Graphs of original estimates for some recipient-executed projects might not exist since they are not required in the project document.
- 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.

Project Name (ID): REG AND CADASTRE (P055021)

Country: Bulgaria

Board Approval Date: 06/21/2001

Midterm Review Date: 10/25/2004

Closing Date: 03/01/2009

Loan/Credit/Grant Number: TF-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:

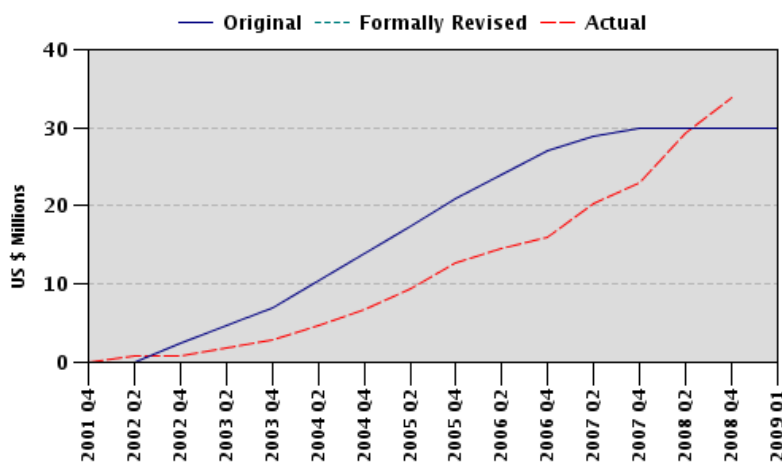
The objective is to improve the coverage, completeness, accuracy and responsiveness of the cadastre and real property registration systems contributing to the development of secure tenure of real property and an efficient real property market.

Progress toward achieving development objective(s):

The project achieved several important results, including - 3.9 million properties covered with a cadastre map against an initial target of 3 million. Turnaround time for registering a transaction has been reduced from 7 days to 1 day. All 28 regional offices of the Cadastre Agency have been repaired and equipped. Both the Cadastre Agency and the Registration Agency respond adequately to the dynamic growth of the real estate market. The number of real estate transactions increased by 27% per year and real estate prices by 30% per year over the past 3 years. The revenues of both agencies have increased by over 60% in 2007. The only outstanding activity under the project is the completion of the joint information technology system which will lead to faster and more efficient customer service. The project contributes to the efficient and secure functioning of the real estate market, allowing for growth of mortgage, now facilitating 70% of transactions, and enhanced economic growth through increasing investments

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-50265	Effective	2.00	1.96	0.04	0.00
IBRD-46190	Effective	52.76	33.91	3.92	5.78



Project Name (ID): HEALTH SECT REF (P055157)

Country: Bulgaria

Board Approval Date: 06/22/2000

Midterm Review Date: 05/23/2003

Closing Date: 10/31/2008

Loan/Credit/Grant Number: TF-23359, IBRD-45650

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):

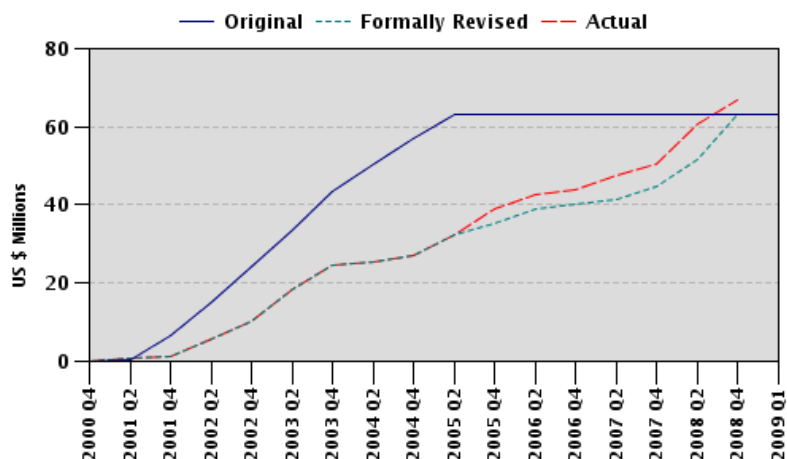
The Government, through the Ministry of Health, remains fully committed to continue the reforms in the health sector to improve access and efficiency. A Development Policy loan is also providing a policy framework for some of these reforms, like pharmaceutical policy and restructuring of hospitals, while this project provides specific support for implementation of those policies.

The Ministry of Health and the National Health Insurance Fund (NHIF) continue the implementation of the major activities under the project in line with the agreed objectives. One noteworthy activity is the implementation of an integrated IT system at the NHIF. This will assist in the gathering and analysis of information on services produced at the health facilities and guide NHIF's payment policies to provide incentives for efficiency improvements.

The project is expected to close by October 31, 2008 with the critical mass of project components implemented contributing to a stronger and better-managed health financing system, a completely reformed outpatient care sector, and a reforming hospital sector.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-23359	Closed	2.22	1.76	0.00	0.01
IBRD-45650	Effective	102.69	66.82	17.76	0.00



Project Name (ID): WETLAND REST (GEF) (P068858)

Country: Bulgaria

Board Approval Date: 06/13/2002

Midterm Review Date: 07/13/2006

Closing Date: 12/15/2008

Loan/Credit/Grant Number: TF-24837, TF-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:

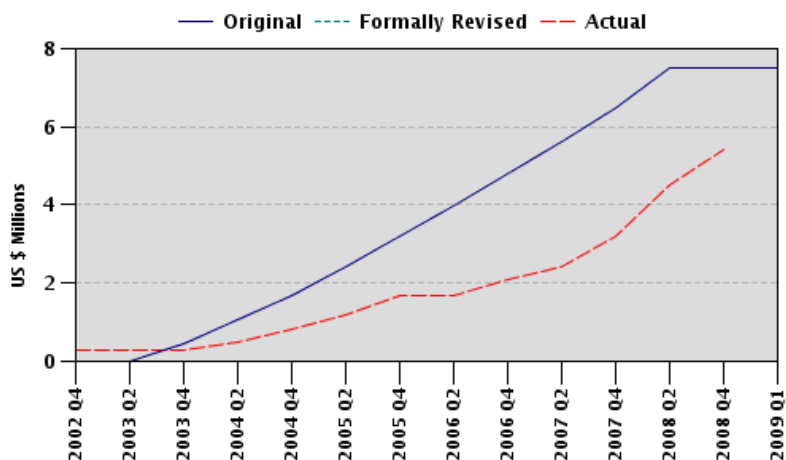
The objective is to demonstrate the reduction of transboundary nutrient loads and other pollution in the Danube and the Black Sea. The means for this is the restoration of two wetlands along the Danube.

Progress toward achieving development objective(s):

The restoration of the first wetlands site in Belene is successfully completed leading to the return of rare bird species in the area. The restoration of the second site is scheduled for October 2008. Two grant schemes in the project introduced environmentally friendly practices according to EU standards and increase biodiversity awareness, especially among the young. Over 5,000 children have been involved in awareness raising projects. Eight demonstration projects have been completed including organic farming and pasture management.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-24837	Closed	0.35	0.34	0.00	0.01
TF-50706	Effective	7.50	5.29	2.21	0.00



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: TF-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.

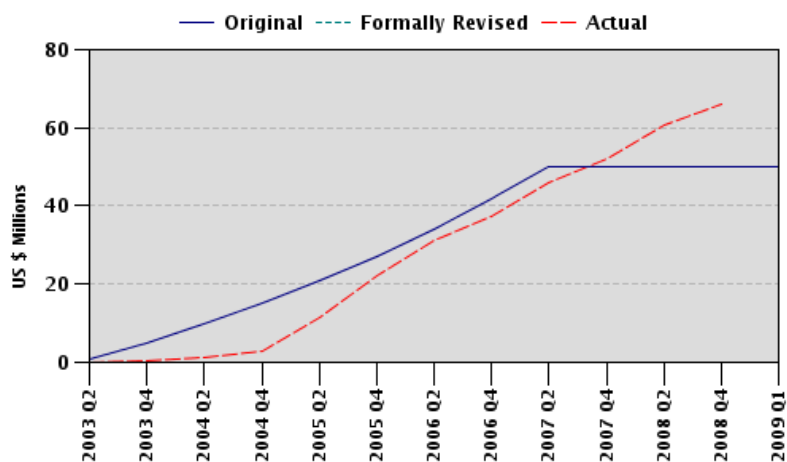
Progress toward achieving development objective(s):

The project shows continuous progress in meeting its development objectives. The implementation of the micro-projects has advanced very well and feedback from beneficiaries is excellent, and demand for additional project services is a proof of the high esteem that local governments and communities are placing on the project. The project so far completed more than 320 municipal micro-projects and 50 community micro-projects with close to 670,000 beneficiaries being affected. 935,000 man-days of temporary and permanent work have been created and 1600 of the people employed under the infrastructure micro-projects are long-term unemployed. In addition to that, under the direct community financing subcomponent, the project has assisted the creation of 55 community organizations to prepare and apply for project funding.

Progress under the active labor market component of the project is also excellent. The third and final round programs - virtual and rented incubators - is currently under implementation, with high demand and many supporters on local level. Most importantly, the Employment Agency has used the package of project active labor market programs for financing being provided under the Human Resources Operational Program of the European Social Fund. The model developed under the project has been used directly by the Employment Agency to prepare the programs and boost capacity on central and local levels for the implementation of the EU program.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-26777	Closed	0.37	0.36	0.00	0.01
IBRD-46811	Effective	22.34	0.60-	23.01	0.00
IBRD-46810	Effective	80.45	66.11	0.00	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: TF-26692, IBRD-46990

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 to: (a) establish an economically efficient public revenue collection system that facilitates private sector development and complies with EU requirements; and (b) separate central and municipal revenue collection functions.

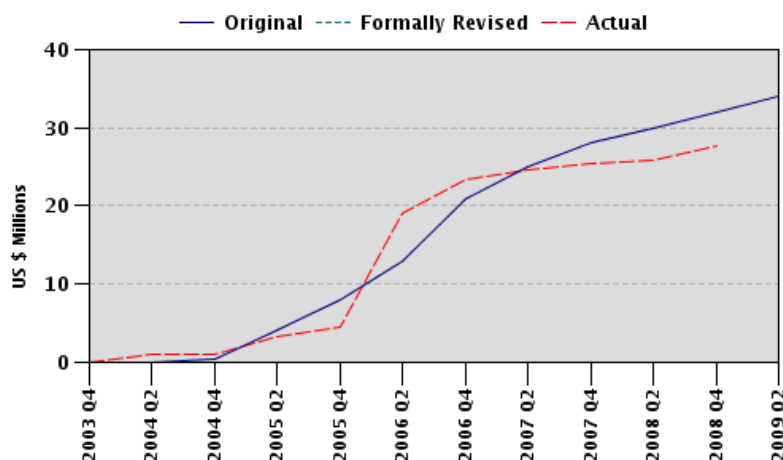
Progress toward achieving development objective(s):

Substantial improvements in Bulgaria's tax administration were recognized in the latest Doing Business and Paying Taxes reports with Bulgaria mentioned as one of the top ten reformers worldwide and as one of the few countries that have consistently improved its tax policy and tax administration over 2004-2007. With the start of the operation of the National Revenue Agency (NRA) in early 2006 under a modern and EU compliant procedural legislation, and devolving the collection of local taxes to local governments, the field office network was streamlined from over 416 (including remote offices) to 29 offices. Optimization of staff has allowed further improvements in the efficiency of revenue collection with the cost of revenue collection almost halved to 0.8 percent of revenues in 2007. Tax and social contribution revenues have increased by 5.4 percentage points of GDP. Compliance rates have improved for all tax types with value added tax compliance exceeding the final target of the project since 2004.

Survey of taxpayers shows that perception of taxpayers regarding the level of professionalism and integrity of revenue administration staff has improved respectively from 5.87 in 2003 to 5.97 in 2007, and from 4.77 to 5.23. The expansion of online filing and improvements in the information system have further reduced the costs of compliance. The share of tax and social security declarations submitted through internet has tripled in 2006 compared to 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-26692	Closed	0.31	0.28	0.00	0.03
IBRD-46990	Effective	50.56	27.35	15.41	0.00



Project Name (ID): ENRGY EFF (GEF) (P084831)

Country: Bulgaria

Board Approval Date: 03/22/2005

Midterm Review Date: 11/20/2007

Closing Date: 03/31/2010

Loan/Credit/Grant Number: TF-54515, TF-52641, TF-51713

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.

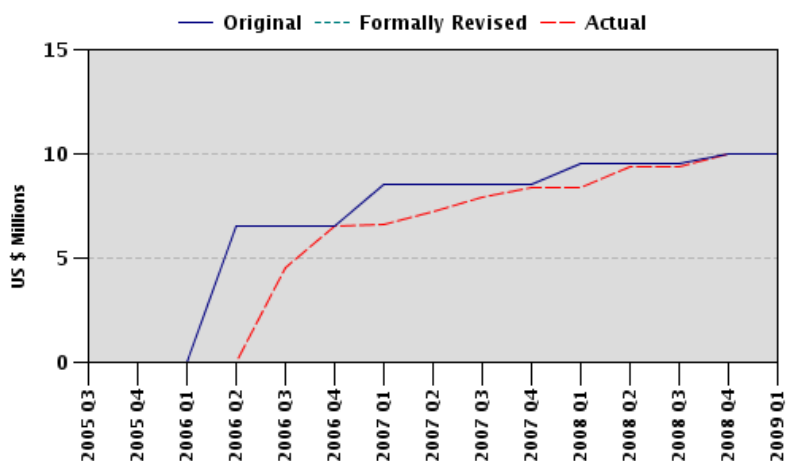
Progress toward achieving development objective(s):

The Bulgarian Energy Efficiency Fund/BEEF (established under the project) has continued to operate effectively, meeting original project expectations. In 2007, the value of approved projects grew fivefold. The overall portfolio consists of US\$32.3 million, of which 50 projects (US\$18.1 million) were approved by the Management Board. Twenty-two projects were physically completed with considerable positive social impact in most cases.

While BEEF's current financial position is strong and has further improved in 2007, it is important to raise its capitalization (currently at US\$16 million) in view of the strong outflow of resources, including the options for channeling EU funds to and/or through BEEF as a proven energy efficiency finance facility.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-54515	Effective	10.00	9.96	0.04	0.00
TF-52641	Closed	0.30	0.30	0.00	0.00
TF-51713	Closed	0.89	0.88	0.00	0.01



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:

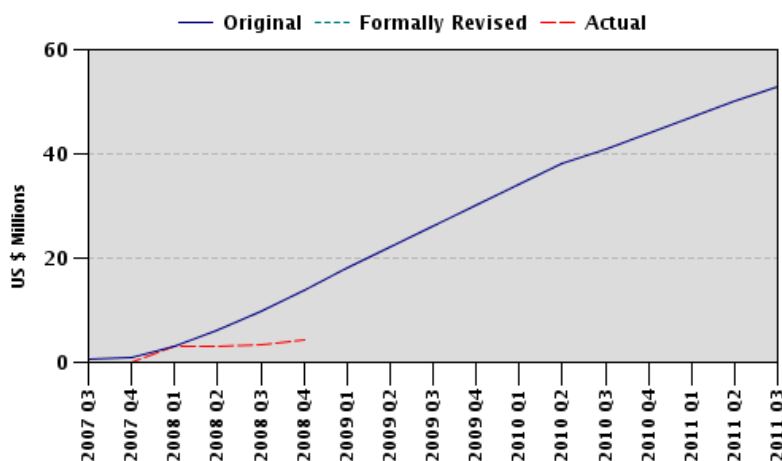
The development objective of the project is to improve trade by increasing the capacity, efficiency, and quality of services at future European Union external border crossings on the Trans-European Transport Network.

Progress toward achieving development objective(s):

The design of border crossing points has been slower than expected because of changes in a duty free law that is likely to have an impact on duty free businesses at the border. A plan, however, has recently been agreed upon that will speed up implementation, and will allow border police to define short-term measures to improve border processing.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48540	Effective	63.37	4.21	58.77	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 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):

Good progress has been made in the first months since the project became effective towards achieving the Project Development Objective. Project implementation is progressing as planned, and the first road rehabilitation contracts are being procured and works on two sections out of nine under the project should start in the summer of 2008. Similarly, the technical assistance to improve the road management system is being procured, and its development should start in the fall of 2008.

The project has also helped develop, after extensive national consultations, a national road safety action plan to be supported by the project's road safety component.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-48650	Effective	132.46	0.00	132.52	0.00

