

STATUS OF PROJECTS IN EXECUTION – FY08

EUROPE AND CENTRAL ASIA REGION

COUNTRY: SERBIA

**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): TRNSPT REHAB (SERBIA) (P075207)

Country: Serbia

Board Approval Date: 05/25/2004

Midterm Review Date: 10/01/2006

Closing Date: 06/30/2011

Loan/Credit/Grant Number: IDA-39090, IBRD-74630

Sector(s): Roads and highways (70%), Central government administration (25%), General transportation sector (5%)

Theme(s): Administrative and civil service reform (P), Infrastructure services for private sector development (P), Injuries and non-communicable diseases (P), Regional integration (S), Regulation and competition policy (S)

Project Development Objectives:

The objective is to assist the Government of Serbia in reducing road user cost and improving safety for road users through: (a) improving the condition of selected road sections of the main and regional road network; (b) improving the effectiveness of road maintenance through the introduction of performance-based contracting in two pilot regions; and (c) introducing safe road design principles, road safety audits and targeted improvement measures.

The project was restructured, or received Additional Financing during FY 08

FY07 Additional Financing is still not effective.

Progress toward achieving development objective(s):

The project is proceeding well towards achieving its development objectives.

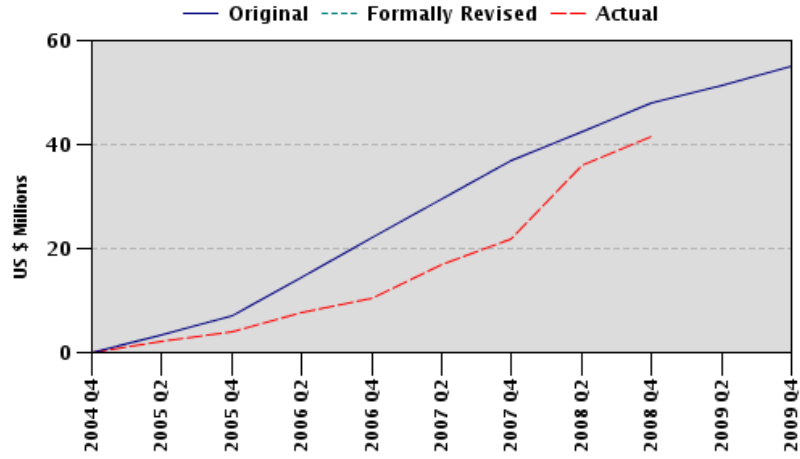
(a) The Transport Rehabilitation Project, and the additional financing, represents the first major program to commence the removal of the effects of inadequate maintenance on the main and regional road networks over the last fifteen years, as such making a major difference to the lives of the inhabitants of Serbia; (b) The project includes a major program of rehabilitation with 50.5 km of roads completed, 68 km should be finished by the end of October 2008, with a further 37.5 km on schedule to be completed by the end of December 2008; (c) The project also provides additional implementation assistance and institutional support to the sector and the Public Enterprise in the form of establishing a functioning asset management system, to allow the professional management of the road network, and technical assistance to harmonize road construction and design standards with best international practice; (d) In addition, the project has piloted, for the first time in the Western Balkans countries, the undertaking of winter and routine maintenance on an output basis on 1200km of roads in the pilot regions of Macva and Kolubara, rather than the traditional input basis. This approach has realized significant benefits, with the cost of winter maintenance falling to 50% of the average from the remainder of Serbia:

- Example: in the mild winter 2006/2007, the cost of winter maintenance in the pilot areas was 208 Euro/Km compared to 572 Euro/Km on average in the remainder of central Serbia; In the more normal winter 2007/2008, the improvement was just as dramatic with the cost in the pilot areas amounting to 510 Euro/Km compared to 1282 Euro/Km on average in the remainder of central Serbia; In addition, the condition of the road, measured in terms of roughness, improved from a value of IRI 6 to 4.14 in Pilot Districts and from 5 to 3.77 in rehabilitated road section. - Given the improvements in condition, markings and signage, road safety has also improved, with the number of deaths per 10,000 vehicles falling from 6 to 2.4 in Macva Region and from 4.49 to 2.26 in Kolubara over the period of the project, a real social and economic benefit. The World Bank is now supporting the Public Enterprise Putevi Srbije to extend the approach to the other 25 regions of Serbia.



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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39090	Effective	59.74	41.58	16.12	0.00
IBRD-74630	Effective	53.39	0.00	53.39	0.00



Project Name (ID): ENERGY EFF (SERBIA) (P075343)

Country: Serbia

Board Approval Date: 03/16/2004

Closing Date: 04/30/2010

Loan/Credit/Grant Number: IBRD-74660, IDA-38700, IDA-38701

Sector(s): District heating and energy efficiency services (97%), Central government administration (3%)

Theme(s): Climate change (P), Pollution management and environmental health (P), Access to urban services and housing (P), Public expenditure, financial management and procurement (S)

Project Development Objectives:

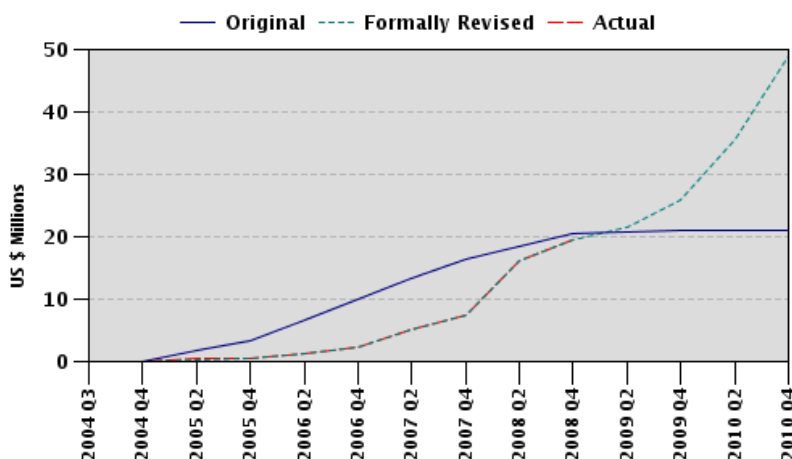
The development objective is to improve energy efficiency in heating buildings in order to improve the functional and health environment of the users and make heating more affordable. An important associated objective is to reduce the local and global environmental impact of the use of dirty fuels for heating buildings in Serbia.

Progress toward achieving development objective(s):

The project is making progress towards meeting its development objective. Sixteen schools and twelve hospitals have been retrofitted with energy efficiency equipment, including lighting improvements in 2 schools, resulting in quantified energy savings, visibly increased comfort of students, teachers, patients, visitors and hospital workers. Rehabilitation of the heat generation network of the Clinical Center of Serbia is ongoing and is expected to be completed by end-2008, resulting in improvement of air quality through reduction of emissions. The Additional Financing Loan and Credit, approved in June 2007, has still not become effective due to several changes in government and this may delay project completion.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-74660	Effective	19.30	0.00	19.30	0.00
IDA-38700	Effective	22.13	19.47	2.22	0.00
IDA-38701	Effective	10.40	0.00	10.40	0.00



Project Name (ID): HEALTH (SERBIA) (P077675)

Country: Serbia

Board Approval Date: 05/22/2003

Midterm Review Date: 09/15/2006

Closing Date: 02/28/2009

Loan/Credit/Grant Number: IDA-37680, TF-51137

Sector(s): Health (90%), Non-compulsory health finance (10%)

Theme(s): Health system performance (P)

Project Development Objectives:

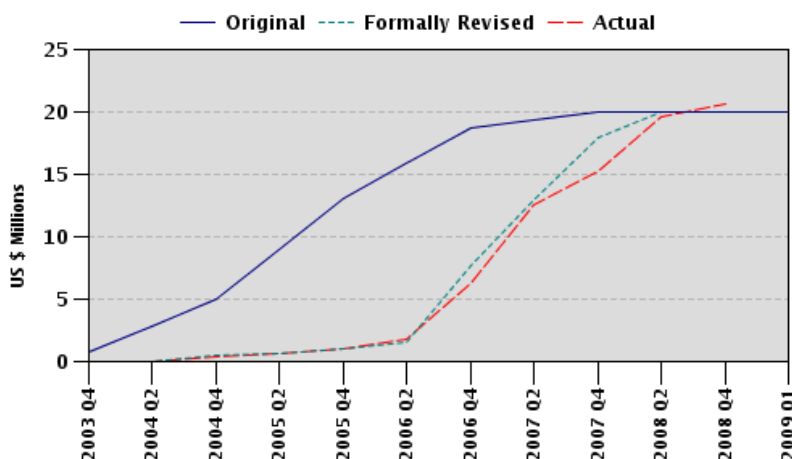
The objective is to build capacity to develop a sustainable, performance-oriented health care system where providers are rewarded for quality and efficiency and where health insurance coverage ensures access to affordable and effective care.

Progress toward achieving development objective(s):

The project is progressing well towards achieving its objectives. The project has contributed significantly to define a modern legal and institutional framework for the health system in the country and to build capacity to improve hospital efficiency, contain expenditures, regulate public and private providers, measure quality of services and build an effective information system. The project closing date has been extended and the Government has expressed interest in securing additional financing to continue project activities.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-37680	Effective	23.07	20.62	1.59	0.00
TF-51137	Closed	0.50	0.40	0.00	0.10



Project Name (ID): REAL ESTATE CADASTRE (SERBIA) (P078311)

Country: Serbia

Board Approval Date: 05/25/2004

Midterm Review Date: 01/28/2008

Closing Date: 10/31/2010

Loan/Credit/Grant Number: TF-52795, IDA-39080

Sector(s): General agriculture, fishing and forestry sector (30%), Housing finance and real estate markets (30%), Information technology (20%), Sub-national government administration (15%), Law and justice (5%)

Theme(s): Personal and property rights (P), Land administration and management (P), Other accountability/anti-corruption (S), Other urban development (S)

Project Development Objectives:

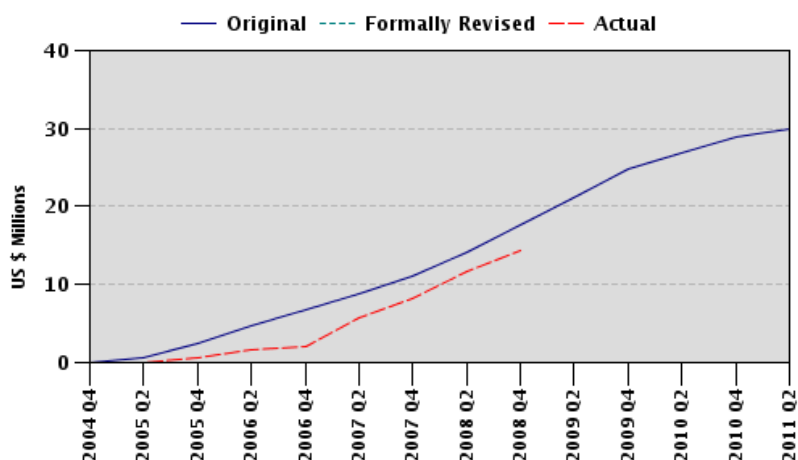
The objective is to build a more efficient property registration and cadastre system and increase public confidence in the immovable property market.

Progress toward achieving development objective(s):

The project has helped to facilitate a great increase in real estate market transaction, with an increase already reaching 35% of the transactions and more than doubling the percentage of mortgages providing credit. Customer satisfaction is improving and 85% of the country is now covered with a complete real estate cadastre. The project is progressing according to plan, although it will still be challenging to complete the real estate cadastre in all urban areas by the end of the project.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-52795	Closed	0.38	0.37	0.00	0.01
IDA-39080	Effective	32.90	14.41	17.44	0.00



Project Name (ID): DANUBE ENTS POLLUT REDUC (GEF) (SERBIA) (P084604)

Country: Serbia

Board Approval Date: 05/12/2005

Midterm Review Date: 02/04/2008

Closing Date: 03/31/2010

Loan/Credit/Grant Number: TF-56212, TF-54908, TF-52513

Sector(s): General agriculture, fishing and forestry sector (40%), Central government administration (30%), Agricultural extension and research (20%), Agro-industry (10%)

Theme(s): Pollution management and environmental health (P), Environmental policies and institutions (S), Rural policies and institutions (S)

Project Development Objectives:

The project development objective is the adoption of European Union Acquis compliant measures for reducing agricultural nutrient pollution in the Danube River in selected enterprises in Serbia. The global development objective is to reduce nutrient flows into water bodies connected to the Danube River.

Progress toward achieving development objective(s):

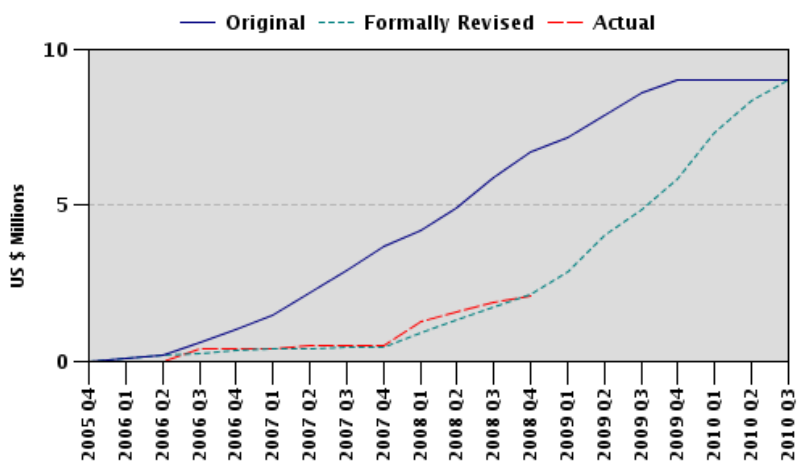
The project is expected to achieve its development and global environment objectives. Seven farms are now equipped with manure storage facility and spreading equipment to reduce nutrient pollution from their farms and land in compliance with the European Union Nitrates Directive requirements.

The final draft of a Code of Good Agricultural Practices which was prepared with strong stakeholder participation is now available and expected to be adopted by the Ministry of Agriculture, Forestry and Water Management by the end of calendar year 2008.

A total of 130 agricultural advisors, veterinary, environmental, water quality and agricultural inspectors, local and central level policy makers and lead farmers received training on proper farm nutrient and animal waste management.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-56212	Effective	4.86	1.12	3.71	0.00
TF-54908	Effective	9.02	2.12	6.90	0.00
TF-52513	Closed	0.35	0.29	0.00	0.06



Project Name (ID): IRRIG/DRAINAGE REHAB (SERBIA) (P087964)

Country: Serbia

Board Approval Date: 07/12/2005

Closing Date: 05/31/2011

Loan/Credit/Grant Number: IBRD-74670, IDA-41050, TF-54608

Sector(s): Irrigation and drainage (73%), Central government administration (27%)

Theme(s): Water resource management (P), Rural services and infrastructure (P), Natural disaster management (P), Rural policies and institutions (S)

Project Development Objectives:

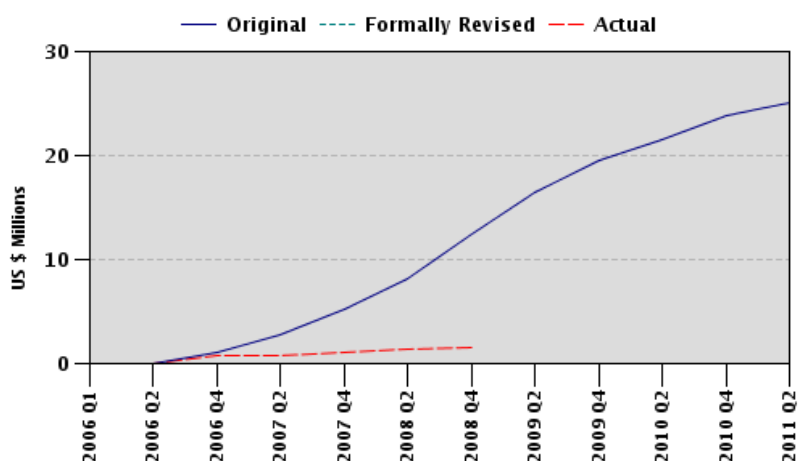
The project's main objectives are to (a) improve the capacity for increased efficiency of agricultural production through support of high priority rehabilitation of drainage and irrigation infrastructure; (b) reduce the risk of damage from flooding to land, crops property and infrastructure, as well as reducing the risk of loss of life from flooding in project areas; and (c) improve water resource management and strengthen the associated water resource management institutions and policies.

Progress toward achieving development objective(s):

Progress has been achieved in the flood protection rehabilitation works in the Zapadna Backa Sombor section and improvement of drainage channels in Plavna and pump station rehabilitation works in Kikinda. Regular consultations with farmers started with respect to the selection of potential sites for minor irrigation schemes and related land ownership. Progress has been achieved on the establishment of the Working Group under the project that coordinates development of information, and strategic innovation for integrated water resources management.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-74670	Effective	53.39	0.00	53.39	0.00
IDA-41050	Effective	27.41	1.60	25.68	0.00
TF-54608	Closed	0.29	0.28	0.00	0.00



Project Name (ID): ECSEE APL #2 (SERBIA) (P088867)

Country: Serbia

Board Approval Date: 06/30/2005

Closing Date: 02/28/2010

Loan/Credit/Grant Number: IDA-40900

Sector(s): Power (100%)

Theme(s): Regional integration (P), Regulation and competition policy (P)

Project Development Objectives:

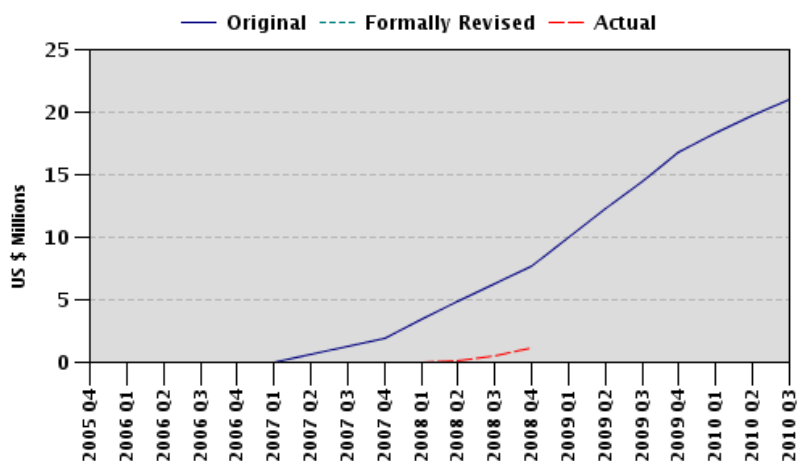
The objective of Energy Community of South East Europe (ECSEE) Adaptable Lending Program is the development of a functioning regional electricity market in South East Europe and its integration into the internal electricity market of the European Union. The project objective is to improve electricity market access for consumers and suppliers.

Progress toward achieving development objective(s):

Despite earlier delays, the project is making progress towards meeting its development objectives. Contracts for Phase 1 substations and associated transmission connections have been signed and two substations are expected to be completed by December 2008. Preparatory activities for three Phase 2 substations have started. Secondary regulations, transmission and distribution codes and market rules are being prepared.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40900	Effective	21.96	1.21	20.80	0.00



Project Name (ID): CNSLTD COLLECT & PENS ADM REF (SERBIA) (P090418)

Country: Serbia

Board Approval Date: 05/31/2005

Closing Date: 09/30/2010

Loan/Credit/Grant Number: IDA-40710

Sector(s): Compulsory pension and unemployment insurance (76%), Central government administration (21%), Banking (3%)

Theme(s): Social risk mitigation (P), Administrative and civil service reform (P)

Project Development Objectives:

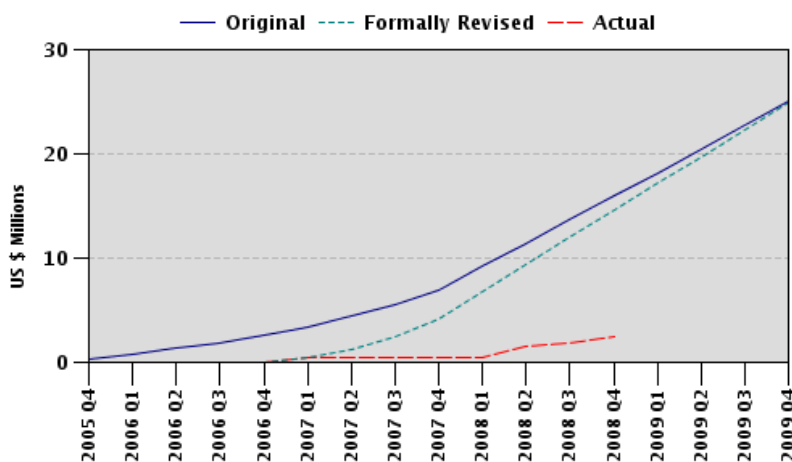
The objective is to improve the effectiveness and efficiency of the pension system through the modernization and streamlining of the institutional capacity in the pension system, improved pension system administration, developed capacity for policy identification, analysis and monitoring, and increased public understanding of the system.

Progress toward achieving development objective(s):

Following a period of slow progress over the last two years, the project has recorded significant progress in moving forward, the pension reform agenda. The Government's approval of the Decree on the Central Registry has been a breakthrough step in project implementation, as it clarified the design of the entire system, and thus enabled further progress on two major components of the project - the development of the Central Registry, and the administrative reforms of the newly created Serbia Pension and Disability Fund. A new project management team and a new management structure have been established which facilitated resolving all the tasks that have been pending from the past period. All activities needed for continued implementation of the project have started.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40710	Effective	27.03	2.07	24.87	0.00



Project Name (ID): BOR REGIONAL DEVELOPMENT PROJECT (P092999)

Country: Serbia

Board Approval Date: 06/20/2007

Closing Date: 09/30/2012

Loan/Credit/Grant Number: TF-56156, IDA-43260, IBRD-74640

Sector(s): Mining and other extractive (50%), Other social services (22%), General public administration sector (12%), Micro- and SME finance (11%), General industry and trade sector (5%)

Theme(s): State enterprise/bank restructuring and privatization (P), Small and medium enterprise support (P), Pollution management and environmental health (P), Improving labor markets (P), Regional integration (S)

Project Development Objectives:

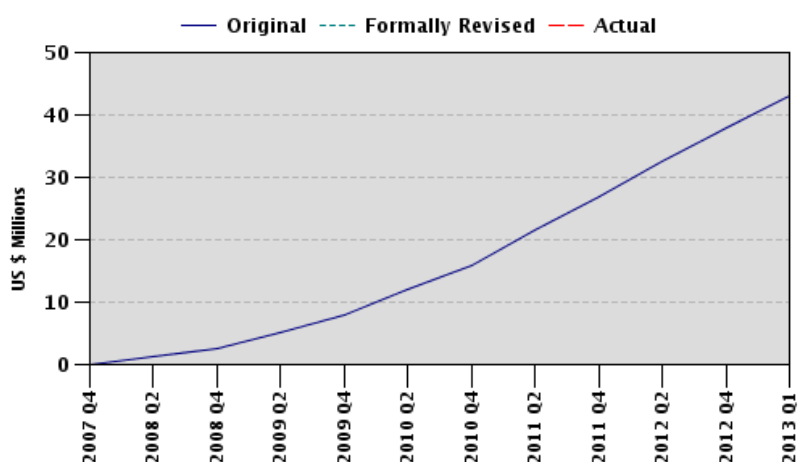
The objective of the project is to support the Government of Serbia's efforts to revive the depressed Bor region through: (a) dealing with urgent environmental and social legacy issues arising from mining sector restructuring; and (b) fostering new sources of economic growth and job creation in the region.

Progress toward achieving development objective(s):

The project was not yet effective before the close of the reporting period due to extended period of political instability in Serbia that preceded and followed Kosovo's declaration of independence in Feb 2008. Two conditions of effectiveness are pending: (a) ratification of loan package by the Serbian Parliament, and (b) adoption of the Project Operational Manual by the Project Steering Committee. Following the formation of new Serbian Government in June 2008, it is expected that the Parliament will ratify the Project in first half of FY09. The Operations Manual has been drafted and will be approved once the new Government forms a Project Steering Committee. The effectiveness deadline was extended to December 20, 2008.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-56156	Closed	0.88	0.76	0.00	0.11
IDA-43260	Effective	10.37	0.00	10.37	0.00
IBRD-74640	Effective	35.10	0.00	35.10	0.00



Project Name (ID): TRANS AG REFORM (P094212)

Country: Serbia

Board Approval Date: 06/20/2007

Closing Date: 12/31/2011

Loan/Credit/Grant Number: IBRD-74650, TF-55134

Sector(s): Central government administration (65%), Agricultural extension and research (35%)

Theme(s): Rural services and infrastructure (P), Rural policies and institutions (P), Rural markets (S), Regional integration (S)

Project Development Objectives:

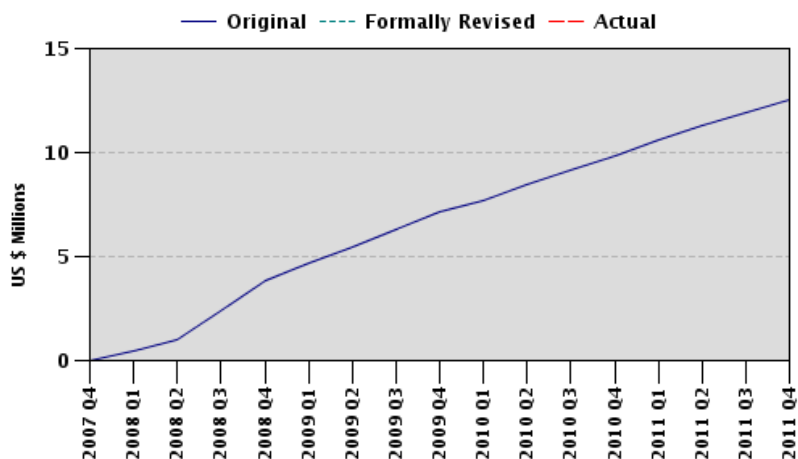
The objective is to enhance the competitiveness of Serbian agriculture. The global environmental objective is to conserve the globally important ecosystem in the Stara Planina mountainous area.

Progress toward achieving development objective(s):

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

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-74650	Effective	18.14	0.00	18.14	0.00
TF-55134	Closed	0.57	0.53	0.00	0.04



Project Name (ID): PRIV, RSTRCT & BANKRUPTCY OF STATE ENTS (P095465)

Country: Serbia

Board Approval Date: 11/03/2005

Closing Date: 08/10/2008

Loan/Credit/Grant Number: TF-54025

Sector(s): General industry and trade sector (100%)

Theme(s): State enterprise/bank restructuring and privatization (P)

Project Development Objectives:

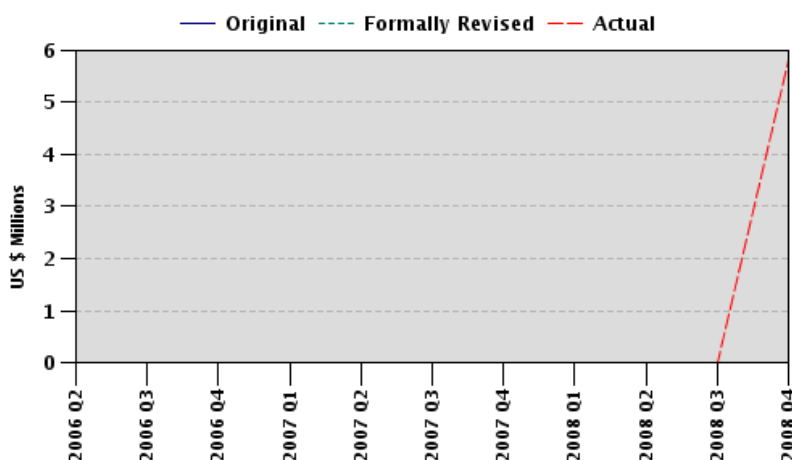
The Purpose of the Grant is to support the Republic of Serbia privatization process in order to create the basis for faster economic growth led competitive enterprise sector. Specific objectives of the Grant are: (a) support privatization, restructuring and bankruptcy of socially-owned enterprises in order to generate economic efficiency, increase foreign direct investment and reduced the "quasi fiscal deficits" resulting from directly or indirectly funding the losses of these enterprises; and (b) strengthen the institutional capacity and operational processes of institutions and agencies involved in the privatization.

Progress toward achieving development objective(s):

The privatization program supported by the Grant has been successful. All activities under the Grant are fulfilled and all benchmarks for all three privatization processes (tender, restructuring, and bankruptcy) are met. The European Agency for Reconstruction funded portfolio is summarized as follows: 9 companies were sold, 14 are in preparation stage, the tender has been launched for 8 companies and one company is in negotiations stage with investors. The Grant also supports institutional capacity building of the privatization agency of Serbia.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-54025	Closed	9.01	5.49	3.26	0.00



Project Name (ID): Delivery of Improved Local Services (P096823)

Country: Serbia

Board Approval Date: 03/18/2008

Closing Date: 12/31/2012

Loan/Credit/Grant Number: IBRD-75100

Sector(s): Sub-national government administration (40%), Central government administration (20%), Other social services (14%), Health (13%), General education sector (13%)

Theme(s): Decentralization (P), Municipal governance and institution building (P), Health system performance (S), Social safety nets (S), Education for all (S)

Project Development Objectives:

The objective is to increase the capacity of institutional actors and beneficiaries in order to improve access to, and the efficiency, equity and quality of local delivery of health, education and social protection services, in a decentralizing environment

Progress toward achieving development objective(s):

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

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-75100	Not Effective	46.40	0.00	46.40	0.00

