



# World Bank Activities in Algeria

## Country Assistance Strategy

The Country Assistance Strategy for 2004 to 2006 supports three key objectives: (1) fiscal sustainability and hydrocarbon revenue management to build the basis for sustained growth; (2) removing the constraints to private sector-led growth, particularly those affecting the business environment, SMEs, the financial sector, and infrastructure development; and (3) Government's efforts to articulate and implement a strategy for better service delivery, particularly in water supply, transport, housing, environmental services, and human development to meet the critical needs of the population. The World Bank Group's support was to be guided by three principles: (i) selectivity through engagement in a limited number of areas and a selective use of Bank instruments; (ii) programmatic approach focused on transfer of knowledge and capacity building; and (iii) partnerships, outreach and knowledge sharing. Preparation of a new country partnership strategy has been launched by the World Bank to help understand the Government's priorities and to elaborate its new partnership program for Algeria.

## Recent and Ongoing Analytical Work

Through in-depth analytical work, the World Bank helps support policy choices and reforms. Recent analytical work includes: An update of the Financial Sector Assessment Program report carried out jointly with the IMF and a Public Expenditure Review. Technical assistance includes social insurance, specifically in the area of pensions and improvement of the doing business indicators.

Ongoing analytical work includes: the Labor Markets and Social Protection note to provide advice in the design and implementation of a multi-year program for employment creation; the Investment Climate Assessment which includes a survey followed by a comprehensive study of the business environment; and a policy note on Labor Market to assess major constraints that could affect the sustainable creation of "good quality" jobs. On technical assistance the following are also ongoing: CNES capacity building on poverty analysis, governance and knowledge economy with WBI ; Rural Development TA; and Skills Development and TVET.

The authorities have also expressed interest in Reimbursable Technical Assistance (RTA) from the World Bank to provide expertise in certain sectors. Ongoing RTA activities include: preparation of management contracts in water supply for three of the largest cities; capacity building for the Caisse Nationale d'Equiptement et de Développement (CNED); assistance to the Ministry of Urban Planning and Environment (MATE) in the area of solid waste management and the rehabilitation of open dumps and the clean development mechanism.; and advisory services on procurement to SONATRACH. RTA to the Central Bank for the creation of a credit bureau and on the regulatory framework of credit cooperatives is about to start.

## Portfolio At-A-Glance as of December 3, 2007

	Loan no.	Approval Date	Effective-ness Date	Revised Closing Date	Net Commit-ment Amt	Total Disb	Total Undisb Bal
US\$ million							
DZ-Budget System Modernization	70470	02/06/2001	07/17/2001	02/28/2009	18.4	5.9	12.5
DZ-Transport Technical Assistance	70730	08/23/2001	08/27/2002	12/31/2007	6.9	3.6	3.3
					<b>25.3</b>	<b>9.5</b>	<b>15.9</b>

## Projects Under Implementation

<b>Budget Systems Modernization (loan 70470)</b>	
<p>Original Loan amount: US\$23.7 million            Cancelled amount: US\$5.3 million            Approval date: 2/6/2001            Effectiveness date: 7/17/2001            Closing date: 2/28/2009            Implementing agency: Ministry of Finance (General Directorate of Budget)</p>	<p>The main objective of this project is to modernize and expand the capacity of the Ministry of Finance to discharge its core expenditures management and economic policy advice functions. The key goals are: budgetary institutions and organizations which favor growth in the context of a democratic market economy by delivering: (a) a transparent and comprehensive statement of public resources allocation, firmly anchored to the economic situation of the country; (b) a framework for strategic expenditures choices using the best information possible, arrayed according to international practices; and (c) an instrument which promotes efficiency and effectiveness in budget execution as well as timely and reliable feedback to insure solid controls and overall fiscal discipline.</p>
<b>Transport Technical Assistance (loan 70730)</b>	
<p>Original Loan amount: US\$8.7 million            Cancelled amount: US\$1.8 million            Approval date: 8/23/2001            Effectiveness date: 8/27/2002            Closing date: 12/31/2007            Implementing agency: Ministry of Transport</p>	<p>The objectives are to modernize and expand transport services and systems and to improve the integration of transport modes. The Project development objectives are therefore to: (a) set up a policy and institutional framework that will facilitate private participation in infrastructure (PPI); (b) demonstrate the viability of mainstreaming transport concessions through successful launching of two subways and port Build-Operate-Transfer (BOT) schemes; (c) strengthen the capacity of the Government of Algeria to manage and regulate the transport sector; and (d) rehabilitate the railways so that they contribute to better and more cost-efficient transport of people and freight nationwide.</p>

## Projects under Preparation

Not applicable