

**STATUS OF PROJECTS IN EXECUTION – FY09
SOPE**

**EUROPE AND CENTRAL ASIA REGION
COUNTRY: MACEDONIA, FORMER YUGOSLAV REPUBLIC OF**

**Operations Policy and Country Services
OCTOBER 02, 2009**



Introduction

The Status of Projects in Execution (SOPE) Report for FY09 provides information on all IBRD/IDA projects that were active as of June 30, 2009. 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 FY09 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.



Macedonia, former Yugoslav Republic of

Project Name(ID): REG & REAL ESTATE (CRL) (P083126)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 15-Mar-2005
Mid-Term Review Date: 03-Dec-2007
Closing Date: 31-Dec-2009
Sector: Central government administration (40%); General agriculture, fishing and forestry sector (30%); Law and justice (25%); Tertiary education (5%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The objective is to improve real estate cadastre and registration system, contributing to the development of efficient land and real estate markets.

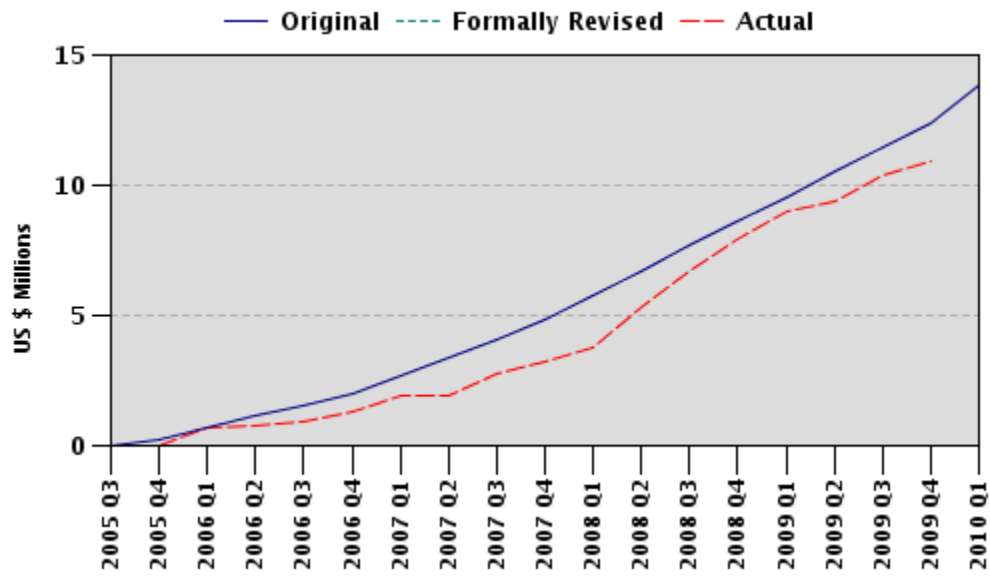
Progress toward achieving development objective(s): Project implementation continues to be excellent, and the Agency for Real Estate Cadastre continues to take full ownership of the project and the reform program. There is steady progress towards meeting the development objective based on improved transparency, efficiency and accuracy. The real estate cadastre is 90 percent complete and 90 percent of transactions are processed within the service standard of three days. Extracts from the register are issued while customers wait. At the same time, the number of real estate transactions and mortgages continues to increase--by 10 percent in 2007; 15 percent in 2008; 20 percent in 2009--over the baseline. The Agency for Real Estate Cadastre continues to upgrade and expand information available online. The focus of the Agency has changed completely towards service and products for customers and customer satisfaction has increased.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-47680	Effective	EUR	14.51	10.94	3.32	0.00
TF-52809	Closed	USD	0.45	0.43	0.00	0.01
TF-54139	Closed	EUR	0.74	0.67	0.00	0.01



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): RAILWAYS REFORM (P083499)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 15-Sep-2005
Mid-Term Review Date:
Closing Date: 31-Oct-2009
Sector: Railways (98%); Central government administration (2%)
The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The objective is to improve the financial viability, productivity, and effectiveness of railway operations.

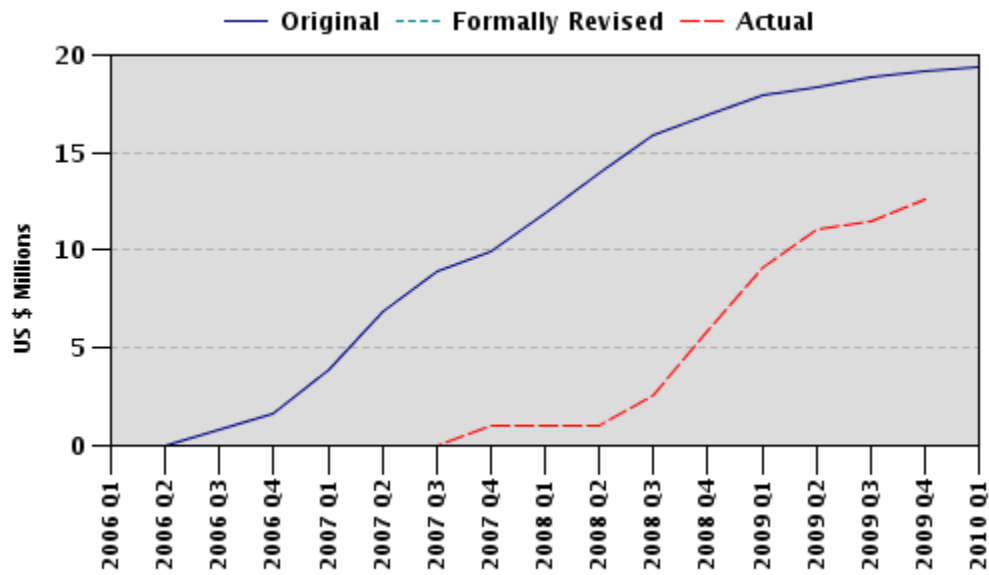
Progress toward achieving development objective(s): After initial delays, progress with implementation is generally good. The institutional reform of the railway system has been completed, and the retrenched staff is in the process of receiving training or tuition payments. The necessary railway infrastructure maintenance activities are completed, and the infrastructure operator has the necessary equipment to continue maintenance. The transport operator is completing the rehabilitation of rolling stock, thereby strengthening its operating capacity. The closing date was extended by one year.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-48020	Effective	EUR	21.21	5.94	7.04	0.00
IBRD-4802A	Effective	EUR	0.00	7.33	1.42	0.00



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): ECSEE APL 3 (FYR MACEDONIA) (P082337)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 10-Jan-2006
Mid-Term Review Date:
Closing Date: 31-Mar-2011
Sector: Power (100%)
The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The objective is to support the functioning of the new transmission company, the Macedonian Power Transmission System Operator (AD MEPSO) in the context of the regional power market through financing investments necessary to rehabilitate and upgrade the power transmission network and increase the level of interconnectivity with neighboring power systems, and to strengthen the institutional capacity of AD MEPSO.

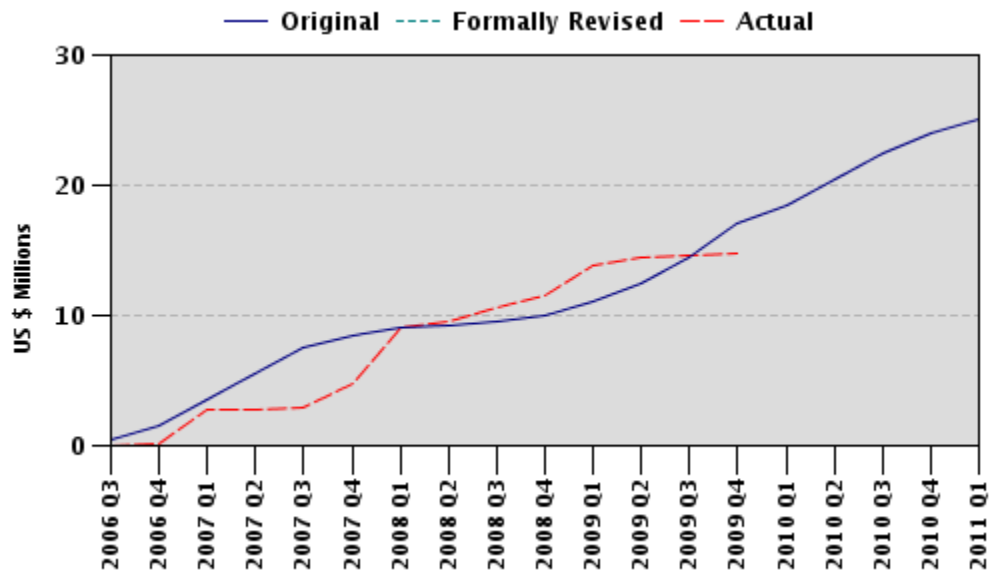
Progress toward achieving development objective(s): The power transmission line to Greece has been finalized as well as the expansion of the Skopje 5 substation. Work is progressing according to plan on the Bitola transmission line and the upgrading of 110kV substations. Work on the Skopje-Tetovo transmission line has been delayed due to slow progress on land acquisition.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-48140	Effective	EUR	26.78	14.69	14.53	0.00
TF-52421	Closed	USD	0.54	0.24	0.00	0.29



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): EDUC MOD (P066157)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 16-Dec-2003
Mid-Term Review Date: 08-May-2006
Closing Date: 30-Sep-2010
Sector: Primary education (40%); Secondary education (30%); Central government administration (30%)
The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The project's objectives are to: (a) improve the quality of learning and participation at the targeted schools by strengthening school-level planning and management; and (b) improve the equity and efficiency for a decentralized education system.

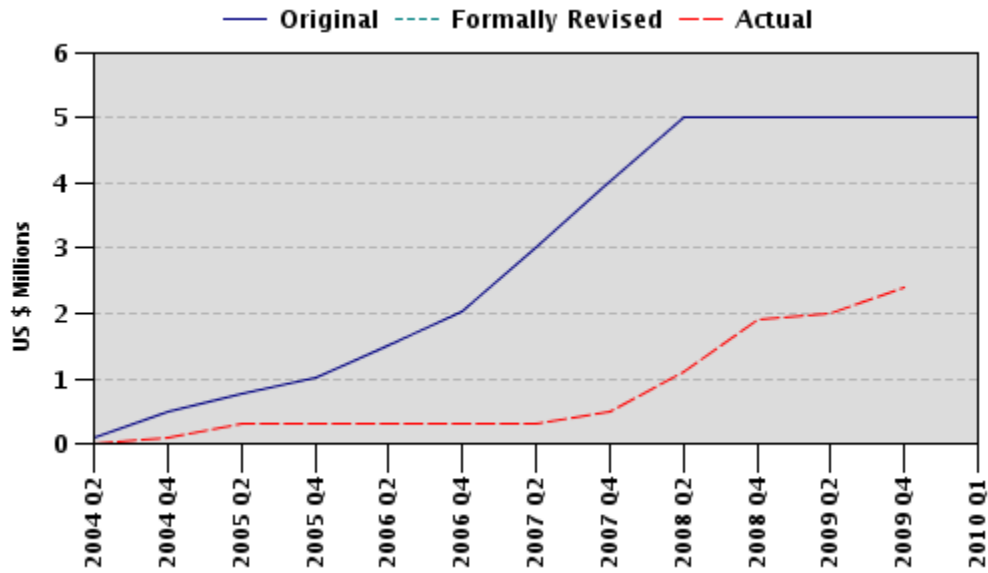
Progress toward achieving development objective(s): The project is slowly progressing towards achieving its objectives. The schools' capacity for strategic and operational planning has significantly improved, but this still needs to translate into enhanced learning outcomes. System performance is partially improving: secondary enrollment has increased from 85 percent to 95 percent between 2004 and 2008; dropout rates have decreased from 2.14 percent to 1.9 percent in the same period. The market for teaching training has been established and the offered programs have met 90 percent of the priority training needs of the schools. The State Matura examination, part of the Quality Assurance System, was administrated for the first time in 2008 in all four year general and vocational schools. Despite the aforementioned progress, the project is lagging behind its strategic planning and budgeting targets.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-47230	Effective	USD	5.00	2.83	2.17	0.00
TF-26114	Closed	USD	0.38	0.37	0.00	0.01
TF-52374	Closed	EUR	0.40	0.34	0.00	0.03
TF-52855	Effective	EUR	14.23	9.23	4.58	0.00



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): AGR STRENGTHENING AND ACCESSION PROJECT (P101216)

Country: Macedonia, former Yugoslav Republic of

Board Approval Date: 12-Jun-2007

Mid-Term Review Date:

Closing Date: 30-Sep-2011

Sector: Central government administration (76%); Irrigation and drainage (15%); Sub-national government administration (7%); General agriculture, fishing and forestry sector (2%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The objective is to improve the delivery of government assistance to the agriculture sector in a manner consistent with the European Union's pre-accession requirements.
Efforts in developing capacity to deliver rural development funds are progressing well with the national accreditation procedure of the paying agency completed at the national level. Veterinary services activities are progressing well, including the upgrading of food establishments and veterinary laboratories to European Union standards. Irrigation user groups have been organized and are in the process of being registered, and a training and development program is ready for delivery. Overall, the project is progressing well given the difficult organizational decisions its progress is depending on and remains on track to achieve its development objectives, albeit with some delays.

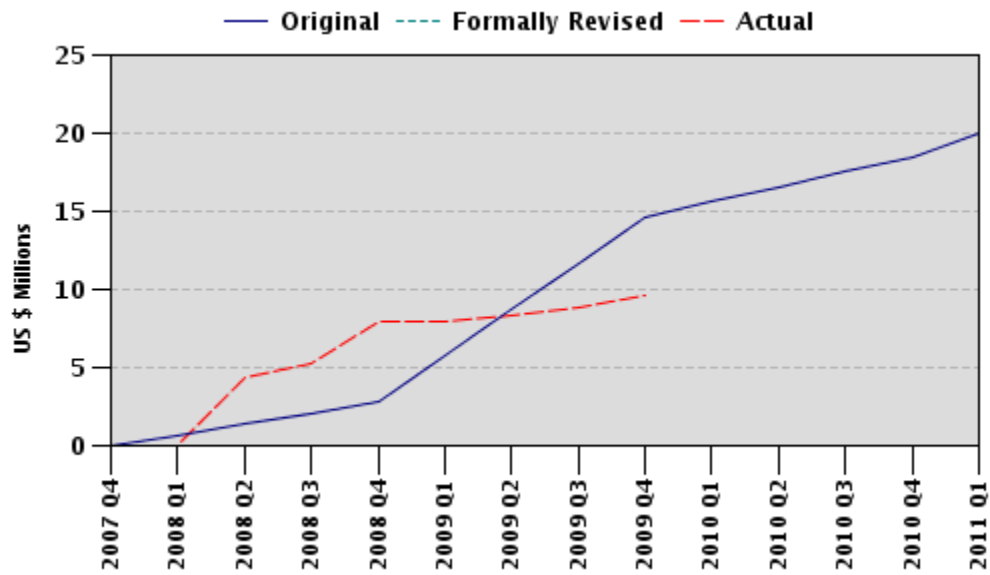
Progress toward achieving development objective(s):

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-48610	Effective	EUR	20.82	9.65	11.77	0.00



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): BUSINESS ENV REFORM & INST STRENGTH (P079552)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 21-Jun-2005
Mid-Term Review Date: 15-Nov-2008
Closing Date: 31-Mar-2010
Sector: Other domestic and international trade (40%); Central government administration (30%); General public administration sector (30%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The objective is to improve selected aspects of the business environment in the context of the European Union.
 Project progress has been varied and partially challenged by the constraints on implementation capacity. However, overall progress in business environment reforms due to the government's own efforts has been recognized in the Doing Business 2009 report where Macedonia's rating improved by 8 ranks (from 79 to 71). With the establishment of the regulatory impact assessment approach, 60 government officials have been trained, and some 65 laws and 480 by-laws have been effectively eliminated or amended. One-stop-shop allowing business registration in 4 hours has been implemented. Institution building in the metrology, standards, testing and quality systems is on-going with some visible results. Over 30 conformity assessment bodies have been accredited by the Institute for Accreditation and about 5,500 European Union compatible standards have been adopted by the Institute for Standardization.

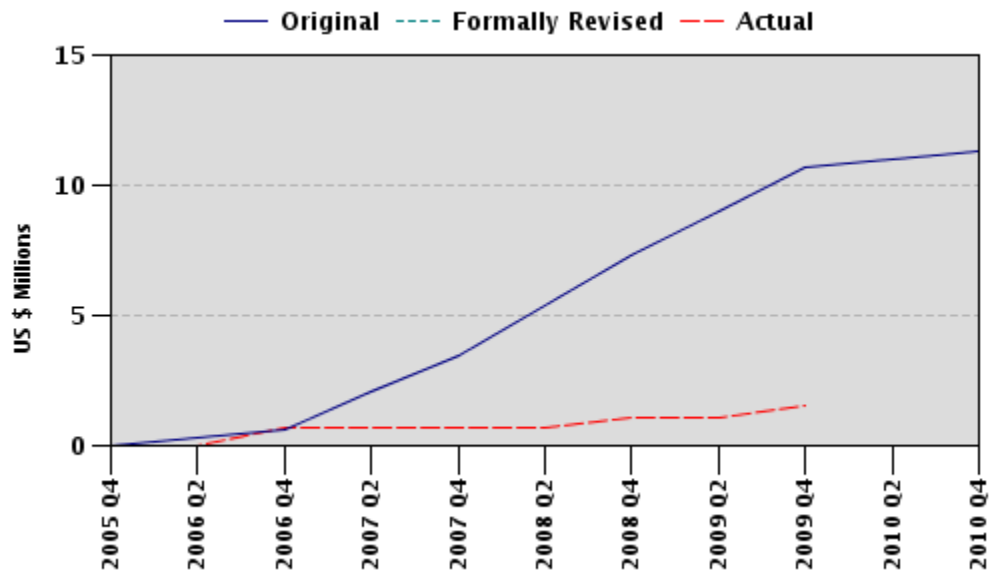
Progress toward achieving development objective(s):

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-47930	Effective	EUR	11.72	1.47	10.86	0.00



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): LEG/JUD IMPLMNT & INST SPRT (P089859)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 01-Jun-2006
Mid-Term Review Date:
Closing Date: 31-Jul-2011
Sector: Law and justice (98%); Central government administration (2%)
The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The project development objectives are to: (a) improve judicial efficiency and effectiveness; and (b) contribute to an improved business climate by implementing judicial reform laws.

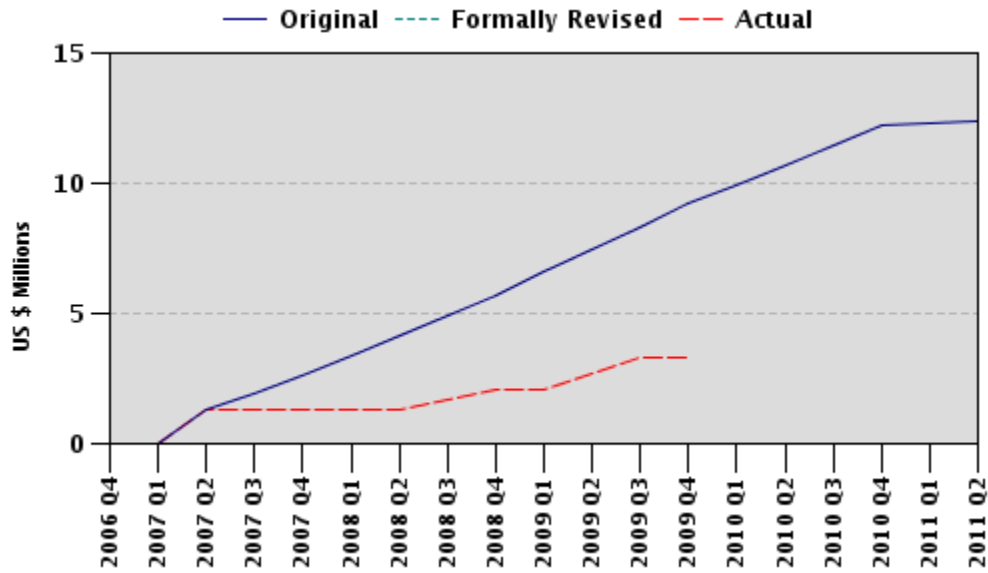
Progress toward achieving development objective(s): Progress towards the development objectives continued at a measured pace. Implementation of the misdemeanor and bankruptcy laws was advanced through training of administrative agency staff and newly licensed trustees and judges respectively. The Judicial Council's infrastructure was expanded to accommodate the enlarged membership. The capacity of the State Administrative Inspectorate has expanded through IT and technical training as well as the addition of automation equipment. Improved facilities, including user-friendly intake areas and expanded courtrooms and office space have been completed for six courts with expanded jurisdiction. The design for a new criminal court in Skopje with expanded capacity, security and improved public service areas was underway. Implementation of new case and court management system began through improvement of core IT systems.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-48230	Effective	EUR	12.83	3.34	10.46	0.00



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): Conditional Cash Transfers Project (P103974)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 16-Jun-2009
Mid-Term Review Date:
Closing Date: 28-Feb-2014
Sector: Public administration- Other social services (50%); Secondary education (30%); Other social services (20%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The project objective is to strengthen the effectiveness and efficiency of the Government of FYR Macedonia's social safety net through (a) the introduction of conditional cash transfers; and (b) improvements in the administration, oversight, monitoring, and evaluation of social assistance transfers.

Progress toward achieving development objective(s): The project loan was not yet effective as of the reporting date.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-77350	Not Effective	USD	25.00	0.00	25.00	0.00
TF-57807	Effective	USD	0.65	0.50	0.16	0.00



Project Name(ID): TTFSE 2 (P091723)

Country: Macedonia, former Yugoslav Republic of

Board Approval Date: 29-May-2007

Mid-Term Review Date:

Closing Date: 30-Sep-2011

Sector: Roads and highways (80%); Central government administration (11%); Railways (9%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The objective is to facilitate the movement of trade between Macedonia and its neighboring countries in South East Europe. After initial delays, the project is on track to achieve its original development objectives. Difficulties in completing land acquisition have impeded progress on the two critical transport/border crossing physical trade bottlenecks (at Tabanovce-Kumanovo and Blace), but progress is now being made in resolving the issues. Due to the government's decision to proceed with the toll modernization on road Corridor X as part of a larger motorway concession scheme, there will be reduction of the toll modernization component and subsequent reallocation of the loan amount.

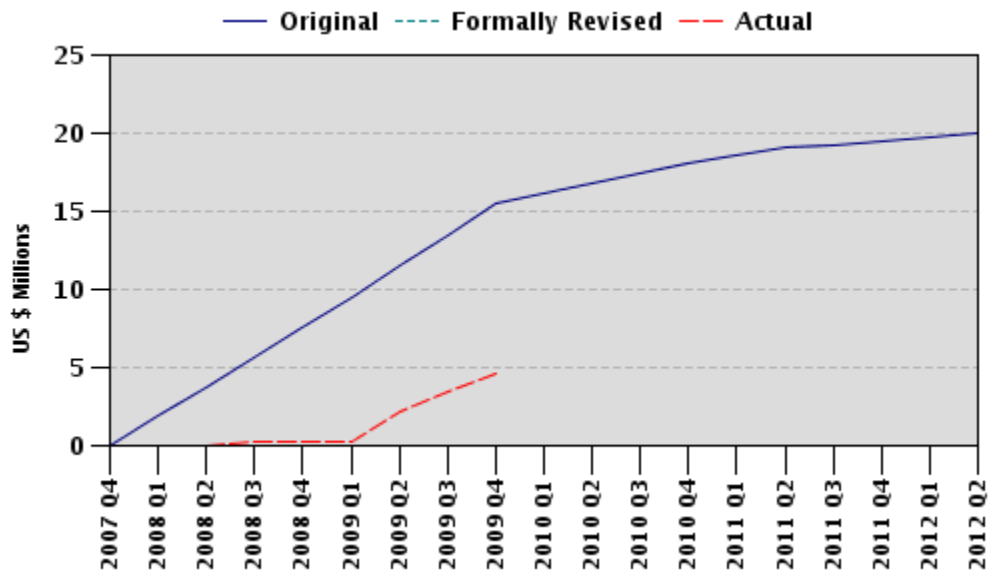
Progress toward achieving development objective(s):

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-48590	Effective	EUR	20.76	4.60	16.01	0.00



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): REPARIS - MK (P113734)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 05-Dec-2006
Mid-Term Review Date:
Closing Date: 31-Dec-2009
Sector: General finance sector (100%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The objective of the project is to increase the country's competitiveness and attractiveness for foreign direct investment by improving transparency in financial reporting.

Progress toward achieving development objective(s): Following numerous implementation difficulties, the project accomplished a significant progress. Targets and milestones set in January 2009 were, mostly, achieved. It was also recognized, however, that the objective requires a long-term involvement and effort and initial steps were taken to ensure the reform would continue after 31 December 2009.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
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Project Name(ID): SOC PROT (P074358)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 13-May-2004
Mid-Term Review Date: 02-Feb-2007
Closing Date: 30-Jun-2010
Sector: Compulsory pension and unemployment insurance (80%);
 Other social services (20%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The project objectives are to improve the effectiveness and efficiency of the social protection system through improved administration and long-term sustainability of the pension system and improved targeting and administration of cash benefits.

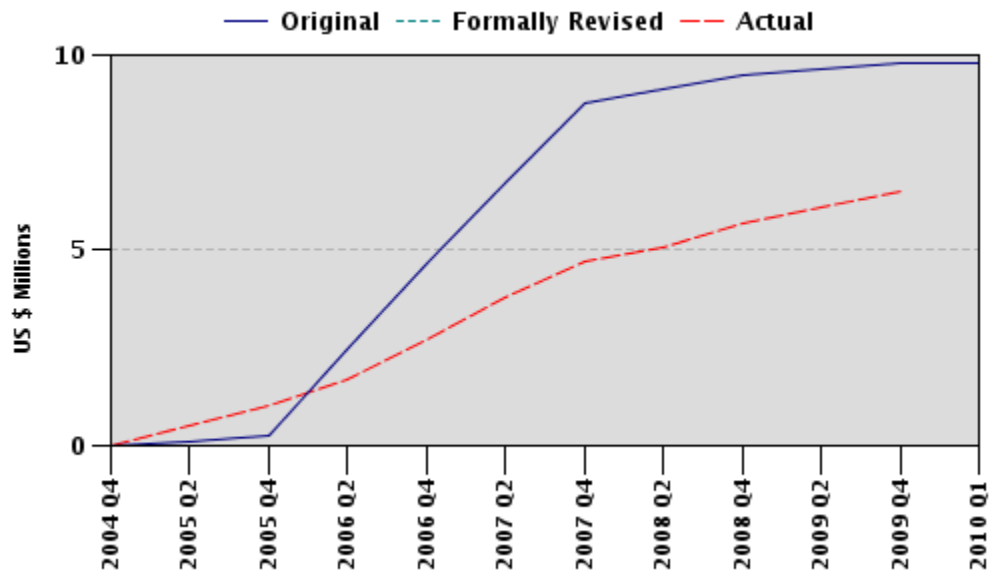
Progress toward achieving development objective(s): The progress towards achieving the development objectives of the project has been substantial. Following the parametric changes of the pay-as-you-go pension pillar, a mandatorily-funded second pillar was successfully introduced in 2006, a legislative framework was completed for the voluntary pension system, and analytical work on pension annuities regulation has been initiated. The capacity for pension system monitoring, identification and analysis of possible policy options has been enhanced: both long- and short-term pension system models have been developed and the staff in the Actuarial Unit of the Pension and Disability Fund, Agency for Regulation and Supervision of the Funded Pension System and in the Pension Department of the Ministry of Labor and Social Policy has been trained in using it. The new system of collection and record-keeping of pension contributions that was introduced in 2006 resulted in significant efficiency gains. The system has recently been used as a basis for integrated collection of all social contributions and personal income taxes. The Law on Social Protection that sets the foundation for harmonization of cash benefits and introduction of conditional cash transfers, and the amendments to the Law on Child Protection, have been approved by the Parliament, and the 11 bylaws needed for the implementation of the Law on Social Protection have been drafted.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-47320	Effective	USD	9.80	6.53	3.27	0.00
TF-26815	Closed	USD	0.40	0.36	0.00	0.04



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): REGIONAL AND LOCAL RDS PROG SUPPORT PROJ (P107840)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 13-May-2008
Mid-Term Review Date:
Closing Date: 31-Jul-2013
Sector: Roads and highways (97%); Central government administration (3%)

The project was restructured, or received Additional Financing during FY09: no

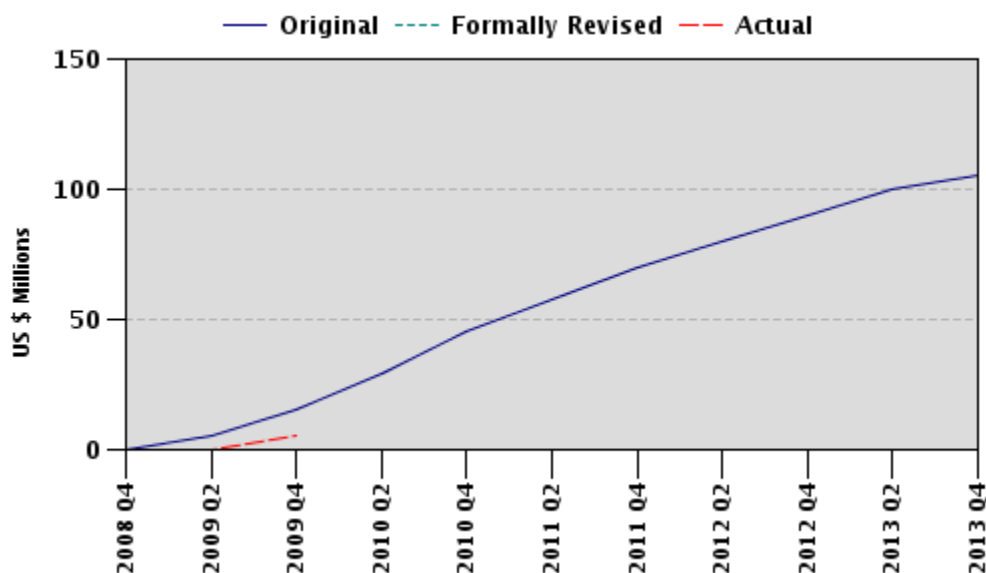
Project development objective(s): The objective is to rehabilitate regional and local roads and reduce the cost of access to markets and services for communities served by these roads.

Progress toward achieving development objective(s): The project has started off well. Contracts have been signed for the rehabilitation of eleven sections of regional roads, bids launched for the 28 local road sections. Most of the works for the regional roads will be completed by end of 2009.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-75320	Effective	USD	105.20	5.65	99.01	0.00

Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): MUNICIPAL DEVELOPMENT (P096481)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 26-Mar-2009
Mid-Term Review Date:
Closing Date: 30-Nov-2014
Sector: Water supply (30%); Public administration- Water, sanitation and flood protection (20%); District heating and energy efficiency services (20%); Sewerage (15%); Solid waste management (15%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The proposed project development objective is to improve the transparency, financial sustainability, and delivery of targeted municipal services in the participating municipalities.

Progress toward achieving development objective(s): The project loan was not yet effective before the close of the reporting period.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-76990	Not Effective	USD	25.00	0.00	25.00	0.00



Project Name(ID): SUSTAINABLE ENERGY (GEF) (P089656)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 19-Dec-2006
Mid-Term Review Date:
Closing Date: 31-Mar-2011
Sector: District heating and energy efficiency services (46%);
Renewable energy (36%); Central government administration
(18%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s): The development objective is to develop a sustainable market for energy efficiency and renewable energy by supporting the development of an enabling framework, institutional capacity, and necessary financing mechanisms.

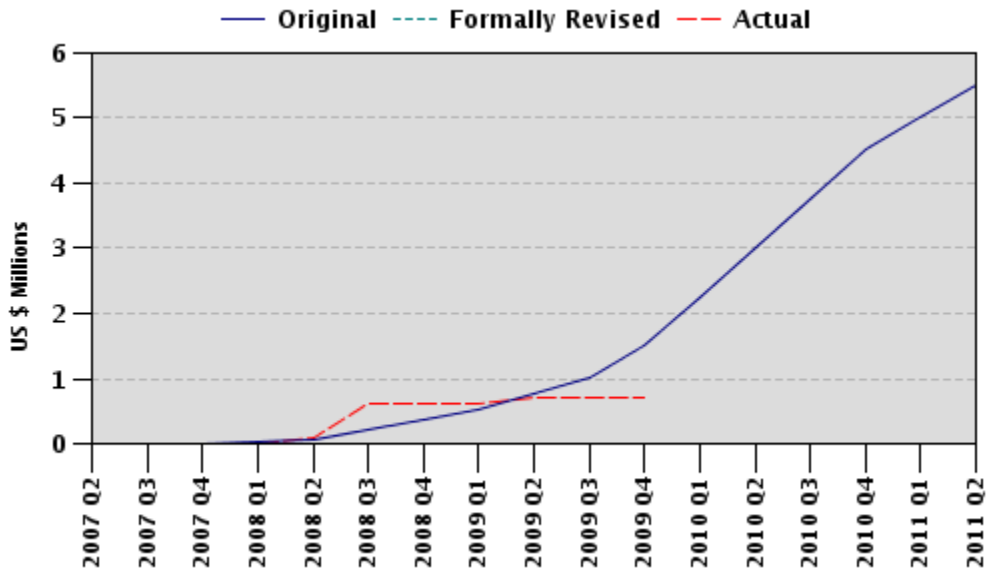
Progress toward achieving development objective(s): The project is not making sufficient progress because too few projects have been identified for financing through the recently established Sustainable Energy Financing Facility. This is related to the fact that the project's Energy Service Company (ESCO) component has not become operational. Steps are being taken to address these issues.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
TF-53662	Closed	USD	0.35	0.35	0.00	0.00
TF-57107	Effective	USD	5.50	0.70	4.80	0.00



Lending Information/Disbursement Summary (in millions USD)



Project Name(ID): HLT SEC MGT (P086670)
Country: Macedonia, former Yugoslav Republic of
Board Approval Date: 13-May-2004
Mid-Term Review Date: 27-Nov-2006
Closing Date: 30-Jun-2010
Sector: Health (54%); Compulsory health finance (34%); Central government administration (10%); Non-compulsory health finance (2%)

The project was restructured, or received Additional Financing during FY09: no

Project development objective(s):

The objectives of the project are to: (a) upgrade the capacity of the Ministry of Health and the Health Insurance Fund to formulate and effectively implement health policies, health insurance, financial management and contracting providers; and (b) develop and implement an efficient scheme of restructuring of hospital services with emphasis on developing day-care services and shifting to primary care.

Progress toward achieving development objective(s):

The project has provided significant training and technical assistance to the health insurance fund. It has provided support to begin implementation of Diagnostic Related Groups, a new payment mechanism for hospitals, and for the development of family medicine. The main remaining activity in the project is the provision of hardware to complement the implementation of an integrated health management information system. In order to complete this activity the project was extended for twelve months.

Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IBRD-47330	Effective	USD	10.00	5.06	4.94	0.00
TF-26814	Closed	USD	0.49	0.49	0.00	0.00



Lending Information/Disbursement Summary (in millions USD)

