



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.

Recent and Ongoing Analytical Work

Through in-depth analytical work, the World Bank helps support policy choices and reforms. Recent analytical work includes: a medium-term macroeconomic strategy; an investment climate assessment which identifies key constraints for the private sector; a strategy for the water sector; a review of the education sector; an analysis of strategic perspectives in agriculture and rural development; a report on the foundations for the development of information and communication technologies; a poverty update; and a review of the legal environment for businesses. The World Bank also assisted the Ministry of Transport in formulating a "road map" for implementing a new sector strategy. Several of these reports are accessible to the public through the World Bank website and at the Public Information Center in Algiers.

Portfolio At-A-Glance as of August 15, 2005

	Approval Date	Net Commitment	Amount Disbursed	Closing Date
		(US\$ million)		
Ain Temouchent Emergency Earthquake Recovery	6/22/2000	83.5	65.9	9/30/05
Telecommunications and Postal Sector Reform	6/27/2000	9.0	7.5	6/30/06
Budget Systems Modernization	2/6/2001	23.7	1.8	2/28/06
Energy and Mining Technical Assistance Loan	2/27/2001	18.0	9.7	08/31/06
Financial System Infrastructure Modernization	7/26/2001	5.2	1.4	6/30/06
Transport Technical Assistance	8/23/2001	8.7	1.8	12/31/05
Mortgage Finance Technical Assistance	6/27/2002	5.5	3.4	12/31/05
Urban Natural Hazard Vulnerability Reduction in the Wilaya of Algiers	8/8/2002	88.5	4.8	2/28/07
Rural Employment II	4/29/2003	95.0	4.4	6/30/09

Projects Under Implementation

RURAL DEVELOPMENT/ ENVIRONMENT

Second Rural Employment (loan 71680)

Original Loan amount: US\$95.0 million

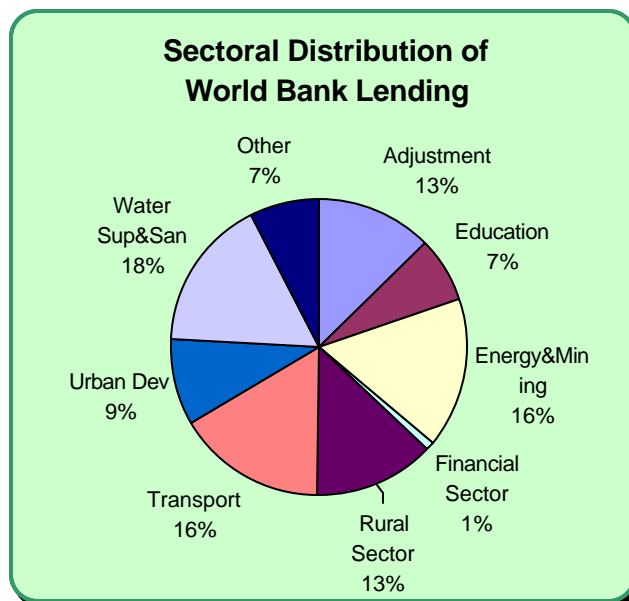
Approval date: 4/29/2003

Effectiveness date: 11/28/2003

Closing date: 6/30/2009

Implementing agencies: Ministry of Agriculture and Rural Development

The main development objective is to generate and stimulate sustainable rural employment in poor rural mountainous areas of northwest and north-central Algeria; alleviate the adverse social effects of adjustment; promote community involvement in rural development; enhance sustainable assets creation (enhanced availability of resources) to stimulate employment; and contribute to growth in agriculture, a key sector for the Algerian economy.



FINANCIAL SECTOR

Mortgage Finance Technical Assistance (loan 71310)

Original Loan amount: US\$5.5 million

Approval date: 6/27/2002

Effectiveness date: 3/17/2003

Closing date: 12/31/2005

Implementing agencies: SGCI (Mortgage Credit Guarantee Company), SRH (Mortgage Refinance Company), ESB (Superior School for Banking)

This project aims to strengthen the environment for a functioning mortgage loan market. The project provides: (a) legal and administrative measures to improve property rights, mortgage efficiency, and property titling and registration systems; and (b) assistance to financial institutions, and training to operational staff in mortgage lending.

Financial System Infrastructure Modernization (loan 70690)

Original Loan amount: US\$16.5 million

Cancelled amount: US\$11.3

Approval date: 7/26/2001

Effectiveness date: 9/3/2002

Closing date: 6/30/2006

Implementing agency: Bank of Algeria

The main development objective of the project is to put in place a more efficient enabling infrastructure for basic financial services by: (a) modernizing the inter-bank payments systems for large-value transactions - the cornerstone of payments system development and; (b) developing norms and standards for future low-value payments systems, including an electronic clearing house. To further improve the enabling infrastructure, the project will also modernize the information systems of the Bank of Algeria (BA), and provide supporting telecommunications infrastructure to serve both inter-bank and intra-bank payments systems and networks.

TRANSPORT/ENERGY/TELECOM/URBAN DEVELOPMENT

Transport Technical Assistance (loan 70730)

Original Loan amount: US\$8.7 million

Approval date: 8/23/2001
Effectiveness date: 8/27/2002
Closing date: 12/31/2005
Implementing agency: Ministry of Transport

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.

Energy and Mining TA (Loan 70480)

Original Loan amount: US\$18 million
Approval date: 2/27/2001
Effectiveness date: 8/18/2001
Closing date: 8/31/2006
Implementing agencies: Ministry of Energy and Mines, SONATRACH (oil and gas), SONELGAZ (Electricity and gas distribution), Algeria Energy Company (AEC)

The objective of this project is to reform the energy and mining sectors, including: (a) setting the stage to improve sector efficiency; (b) introducing market forces, develop untapped natural resources, addressing environmental concerns; and (c) alleviating the financial burden of the sector on public finances.

Telecommunications and Postal Sector Reform (loan 70270)

Original Loan amount: US\$9 million
Approval date: 6/27/2000
Effectiveness date: 1/29/2001
Closing date: 6/30/2006
Implementing agency: Ministry of Information and Communication Technologies

The project aims to create an enabling environment to improve access to efficient and affordable communications services by opening the telecommunications and postal sectors to competition and private participation. The project aims to: (a) establish a new legal and regulatory framework; (b) implement gradual liberalization of policy in the sector; (c) finance a detailed transaction and marketing strategy for the privatization of the telecommunications entity and ensure transparency; and (d) elaborate a comprehensive postal development strategy focusing on long-term competitiveness and modernization of the postal work.

Urban Natural Hazard Vulnerability in the Wilaya of Algiers (loan 71390)

Original Loan amount: US\$88.5 million
Approval date: 8/8/2002
Effectiveness date: 2/4/2003
Closing date: 2/28/2007
Implementing agency: Ministry of Interior

The project will assist the government in responding to the emergency situation resulting from the November 10, 2001, floods. The main objectives are: (a) reduction of urban vulnerability to natural hazards, including housing reconstruction in the priority areas, such as the Massif Bouzareah in the Wilaya of Algiers; and (b) strengthening of the national capacity for disaster management (including both short term preparedness and response, and the long-term hazard reduction measures).

Ain Temouchent Emergency Earthquake Recovery (loan 70230)

Original Loan amount: US\$83.5 million
Approval date: 6/22/2000
Effectiveness date: 1/17/2001
Closing Date: 9/30/2005

Implementing Agency: Ministry of Interior

The project aims to: (a) restore normal functioning of communities damaged by the December 22, 1999, earthquake in the Wilaya of Ain Temouchent and; (b) increase national preparedness for future disasters.

PUBLIC SECTOR

Budget Systems Modernization (loan70470)

Original Loan amount: US\$23.7 million

Approval date: 2/6/2001

Effectiveness date: 7/17/2001

Closing date: 2/28/2006

Implementing agency: Ministry of Finance (General Directorate of Budget)

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.



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