



## Second Municipal Services Improvement Project (P154464)

EUROPE AND CENTRAL ASIA | Macedonia, former Yugoslav Republic of | Social, Urban, Rural and Resilience Global Practice Global Practice | IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 2 | ARCHIVED on 19-Oct-2016 | ISR25431 |

Implementing Agencies: Project Management Unit

### Key Dates

#### Key Project Dates

Bank Approval Date:11-Jan-2016

Effectiveness Date:14-Jul-2016

Planned Mid Term Review Date:30-Nov-2018

Actual Mid-Term Review Date:--

Original Closing Date:31-Mar-2021

Revised Closing Date:31-Mar-2021

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective of MSIP2 Project (PDO) is to improve transparency, financial sustainability and inclusive delivery of targeted municipal services in the participating municipalities.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

Municipal Investments Sub-loans:(Cost \$20.76 M)

Poverty/Social Inclusion Investment Grants:(Cost \$5.53 M)

Project Management, Monitoring and Evaluation, and Capacity Building:(Cost \$1.68 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Moderate	● Moderate



## Implementation Status and Key Decisions

The loan for the Second Municipal Services Improvement Project (MSIP2) in the amount of EUR25 million was approved by the Board on January 11, 2016, and the loan agreement was signed on January 14, 2016. The project aims to improve transparency, financial sustainability, and inclusive delivery of municipal services across the country.

MSIP2 will provide sub-loans to municipalities for infrastructure investments such as water supply, sewerage, solid waste management, local roads, energy efficiency improvements to municipal buildings, and other high priority municipal infrastructure investments with clear impact on welfare of citizens and efficiency of services. The project also introduces a grant component to enhance service delivery and infrastructure for poorer and marginalized communities within municipalities throughout FYR Macedonia.

Before the Board approval, it was discussed and agreed with the Government that MSIP2 will not be declared effective and no funds will be disbursed until after the elections to ensure that political parties do not use the project in the context of their election campaigns. With changing electoral time in the country, the Bank management has revised its decision to allow municipalities to take advantage of the 2016 construction season to implement basic infrastructure investments, and declare effectiveness of MSIP2 loan agreement on July 14, 2016. The decision to declare effectiveness was taken with municipalities and their citizens in mind, since MSIP2 will finance local level projects aimed at improving basic infrastructure, with an objective to enhance transparency, financial sustainability, and inclusive delivery of targeted municipal services.

All municipalities are eligible and encouraged to participate in the MSIP2. In order to ensure transparency of the sub-loan application process, MSIP2 introduces a Call for Proposals for municipal sub-loans which is similar to the one successfully applied under the MSIP IPA rural investment window. The Ministry of Finance published the first Call for Proposals on September 7, 2016, with the application deadline of November 7, 2016.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Moderate	● Moderate	● Moderate
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Low	● Low	● Low
Technical Design of Project or Program	● Low	● Low	● Low
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Low	● Low	● Low
Stakeholders	● Low	● Low	● Low
Other	--	--	--
Overall	● Moderate	● Moderate	● Moderate

## Results

### Project Development Objective Indicators

► Direct project beneficiaries (Number, Core)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	100000.00



Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021
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#### Comments

Actual value is the same as baseline, since the Project just has been declared effective, and no activities completed yet.

#### ▲ Female beneficiaries (Percentage, Core Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00

#### ▷ Vulnerable/marginalized people with marginalized measured as the number of unemployed, social assistance receiving or in other ways vulnerable population that benefits from the project intervention (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00

#### ▶ Number of participating municipalities (i.e. the municipalities which signed sub-loan agreements) that regularly publish sub-project progress information on their official websites or elsewhere (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	31-Dec-2015	21-Mar-2016	30-Sep-2016	31-Mar-2021

#### ▶ Percentage of completed subprojects that generated improved financial performance, including through increased revenue earnings or cost savings (Percentage, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	90.00
Date	31-Dec-2015	--	21-Mar-2016	31-Mar-2021

► Number of the completed sub-projects that focus on social inclusion (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	17.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021

Overall Comments

Actual values are the same as baseline, since the project has been declared effective just recently, and implementation just has been launched.

**Intermediate Results Indicators**

► Number of sub-loans signed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	20.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021

► Number poverty/social inclusion investment grants signed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	17.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021



► Number of sub-projects, financed by sub-loans or grants, successfully completed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	37.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021

► Number of jobs generated, measured as the number of employees of contractors and engineering companies that perform works under the sub-projects (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	1500.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021

► Number of visits to websites that publish sub-project progress information (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	500000.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021

► Number of participants in consultation activities during sub-projects preparation (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	400.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021



▲ Number of participants in consultation activities during sub-projects preparation - female (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	120.00
Date	31-Dec-2015	21-Mar-2016	30-Sep-2016	31-Mar-2021

▶ Piped household water connections that are benefiting from rehabilitation works undertaken by the project (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	600.00
Date	31-Dec-2015	21-Mar-2016	30-Sep-2016	31-Mar-2021

▶ Roads rehabilitated, Rural (Kilometers, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	30.00
Date	31-Dec-2015	--	30-Sep-2016	31-Mar-2021

▶ Roads rehabilitated, Non-rural (Kilometers, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	31-Dec-2015	21-Mar-2016	30-Sep-2016	31-Mar-2021

**Overall Comments**

Actual values are the same as baseline, since the project has been declared effective just recently, and implementation just has been launched.

**Data on Financial Performance**



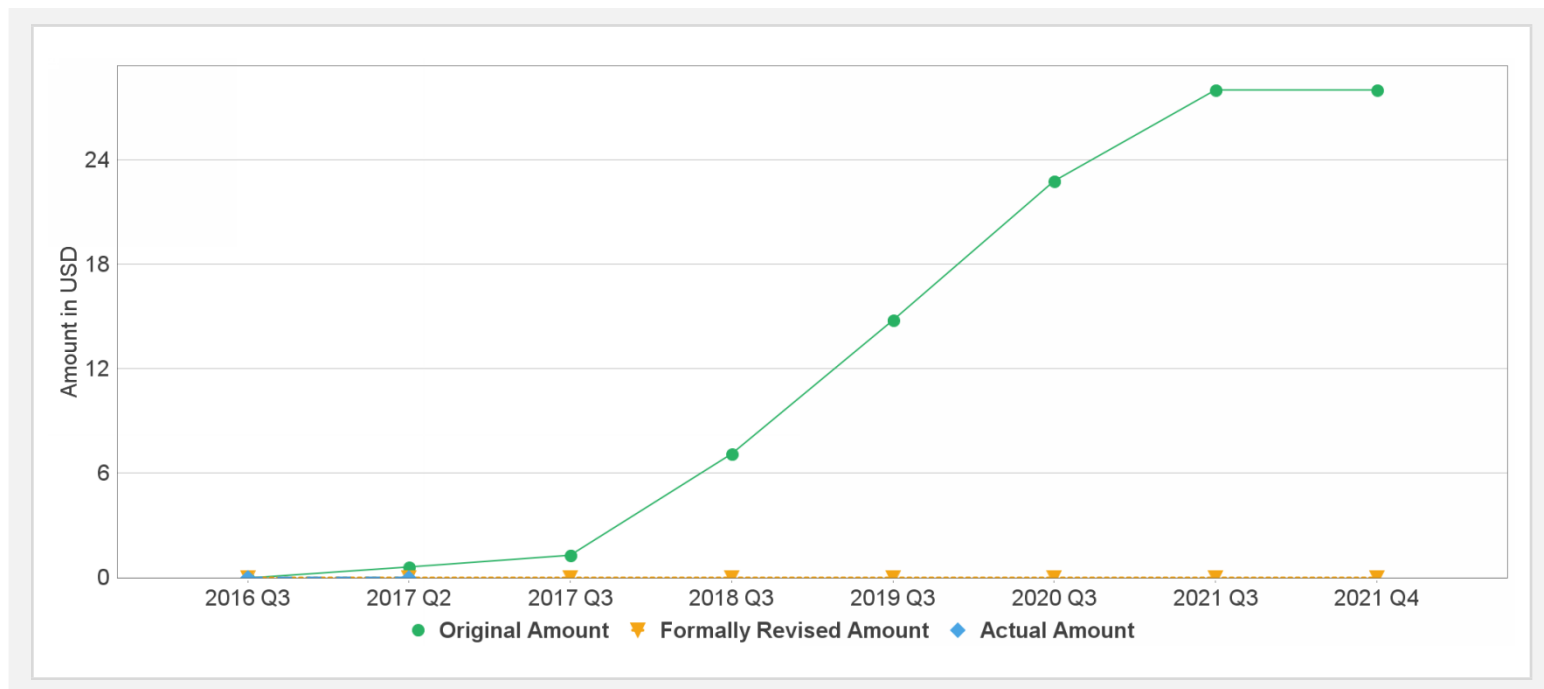
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P154464	IBRD-85610	Effective	USD	28.04	28.04	0.00	0.07	27.97	0%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P154464	IBRD-85610	Effective	11-Jan-2016	14-Jan-2016	14-Jul-2016	31-Mar-2021	31-Mar-2021

**Cumulative Disbursements**



**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**



There are no related projects.

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