

STATUS OF PROJECTS IN EXECUTION – FY08

EUROPE AND CENTRAL ASIA REGION

COUNTRY: MONTENEGRO

**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): SOLID WASTE (MESTAP) (P079116)

Country: Montenegro

Board Approval Date: 09/11/2003

Midterm Review Date: 03/10/2006

Closing Date: 03/31/2010

Loan/Credit/Grant Number: IDA-38230

Sector(s): Solid waste management (95%), Central government administration (5%)

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

Project Development Objectives:

The main objective of the project is to create ecological and commercially sustainable solid waste collection and disposal services in Montenegro coastal municipalities, needed to maintain a clean, environmentally attractive coastal area.

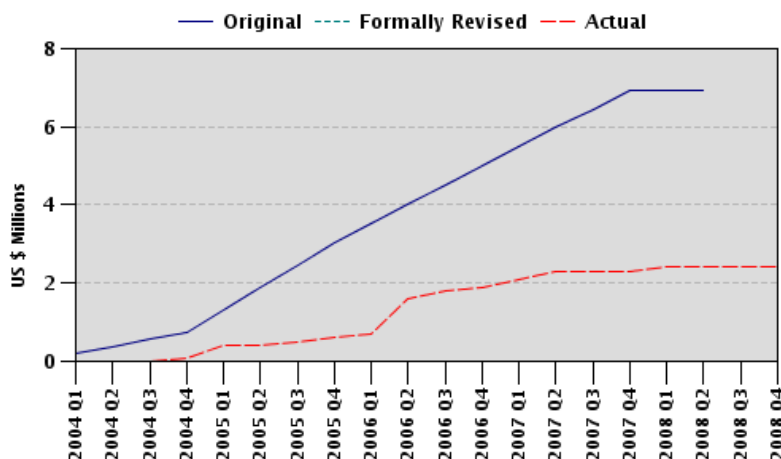
Progress toward achieving development objective(s):

While some progress had previously been achieved towards meeting the projects development objectives, project activity over FY08 was minimal following suspension of disbursements under the project on June 29, 2007. The project, which was originally supposed to close on March 31, 2008, had been suspended due to a long delay by two of the concerned coastal municipalities (Bar and Ulcinj), in reaching a decision on a mutually agreeable location for a joint solid waste landfill, and in forming a joint municipal company to manage it in a sustainable manner. The municipalities were able to agree on these issues in the third quarter of the fiscal year, and the Government of Montenegro requested the Bank to lift the suspension and allow for extension of the project by two years from the original closing date to allow for completion of outstanding activities required to meet the project's development objectives. The Bank agreed to an initial 3 month extension of the project to June 30, 2008 and requested the Government to prepare an action plan defining its strategy to complete the project over the proposed extended period of implementation.

The Government prepared a suitable action plan, and the Bank agreed on the project closing date being further extended from June 30, 2008 to March 31, 2010. In view of the above issues, there were no disbursements over FY08. It is however anticipated that following the resumption of implementation in FY09 the project will make progress towards meeting its objectives.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38230	Effective	7.58	2.38	5.47	0.00



Project Name (ID): HEALTH SYSTEM (MONTENEGRO) (P082223)

Country: Montenegro

Board Approval Date: 06/08/2004

Midterm Review Date: 02/16/2007

Closing Date: 02/28/2009

Loan/Credit/Grant Number: TF-55474, TF-52794, IDA-39180

Sector(s): Health (55%), Central government administration (30%), Compulsory health finance (10%), Non-compulsory health finance (5%)

Theme(s): Health system performance (P), Administrative and civil service reform (P), Other accountability/anti-corruption (S), Injuries and non-communicable diseases (S)

Project Development Objectives:

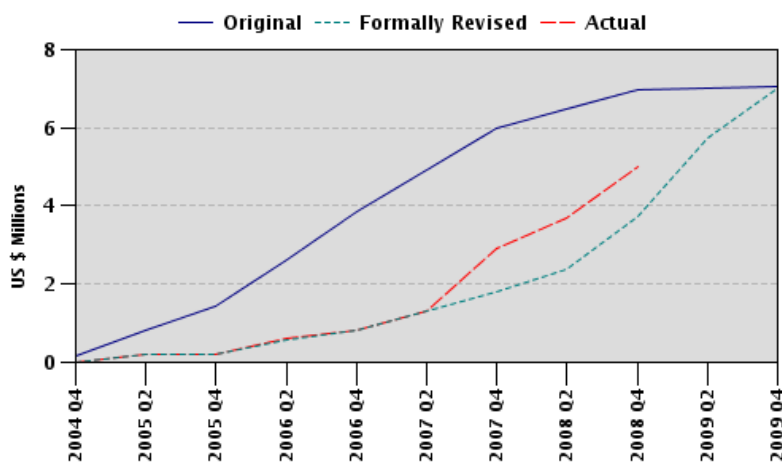
The objective is to put in place the first phase of steps towards reform of the health system in Montenegro, giving priority to (a) increasing capacity for policy, planning and regulation; (b) stabilizing health financing; and (c) improving primary health care service delivery.

Progress toward achieving development objective(s):

The project is making important contributions to the development of sectoral reforms, particularly with respect to the reform of the primary health care. Most of the policy recommendations related to changing the primary health care model to a family medicine have been accepted and are being put into practice. Specifically, the rehabilitation of three Primary Health Care centers have been completed and renovation is ongoing in five other health centers, two of which is being financed by the Government's own budget to compensate for cost over-runs. Indicators related to implementation of primary health care reform in Podgorica have shown good progress between 2004 and 2006. Also, the Health Insurance Fund has shown increased capacity to manage the purchase of drugs and to balance its budget. A third Public Opinion Survey is planned for October 2008, which will give information to measure the extent of project achievements.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-55474	Effective	0.69	0.29	0.40	0.00
TF-52794	Closed	0.45	0.39	0.00	0.06
IDA-39180	Effective	7.74	5.01	2.59	0.00



Project Name (ID): EDUC (MONTENEGRO) (P084597)

Country: Montenegro

Board Approval Date: 03/31/2005

Midterm Review Date: 11/01/2007

Closing Date: 12/31/2009

Loan/Credit/Grant Number: IDA-40480, TF-53327

Sector(s): Primary education (55%), Secondary education (25%), Central government administration (15%), Sub-national government administration (5%)

Theme(s): Education for all (P), Decentralization (S)

Project Development Objectives:

The objective is to strengthen the capacity of the education system to make continuous improvements, especially in the quality of teaching and learning in schools and in the efficient use of budgetary resources.

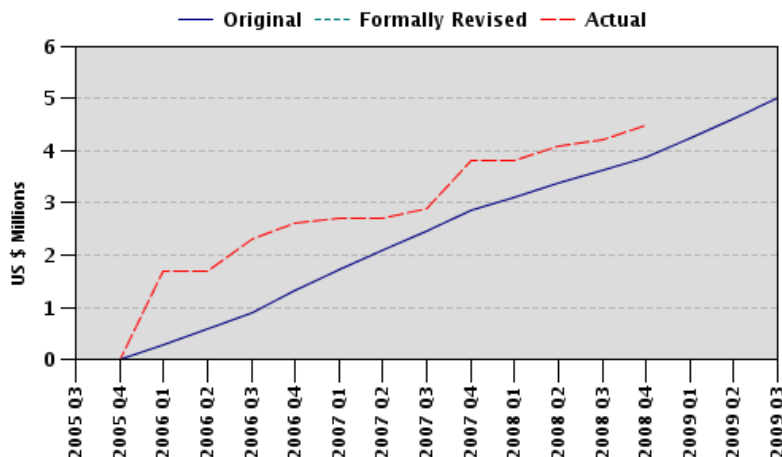
Progress toward achieving development objective(s):

The project continues to implement fast and is successful in supporting the overall education reform, with strong evidence of impact in the classroom. There is a remarkable consensus regarding the direction of the reform and satisfaction with various reform measures. Excellent progress has been made, in particular, the training of teachers and principals for the reform, development of new textbooks, assessment activities such as preparation of the State Matura and PISA participation, and progress with education planning and financing. The education reform in general and the project in particular, have benefited from strong ownership, not only from Ministry of Education but also from other key actors in the education system including the Bureau for Educational Services, the Examination Center and others. The education arrears have been eliminated ahead of time.

Most recently, the Ministry of Education has drafted a strategy for school optimization which will be further elaborated and discussed with stakeholders. However, remaining issues which deserve particular attention during the reform process, include the quality of teaching and learning in small, satellite schools in the rural areas of Northern Montenegro.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40480	Effective	5.32	4.50	0.46	0.00
TF-53327	Closed	0.38	0.29	0.00	0.09



Project Name (ID): PENSION ADMIN (MONTENEGRO) (P087470)

Country: Montenegro

Board Approval Date: 06/08/2004

Midterm Review Date: 01/22/2007

Closing Date: 03/31/2010

Loan/Credit/Grant Number: IDA-39190

Sector(s): Compulsory pension and unemployment insurance (95%), Non-compulsory pensions, insurance and contractual savings (5%)

Theme(s): Tax policy and administration (P), Administrative and civil service reform (P), Law reform (S), Other public sector governance (S)

Project Development Objectives:

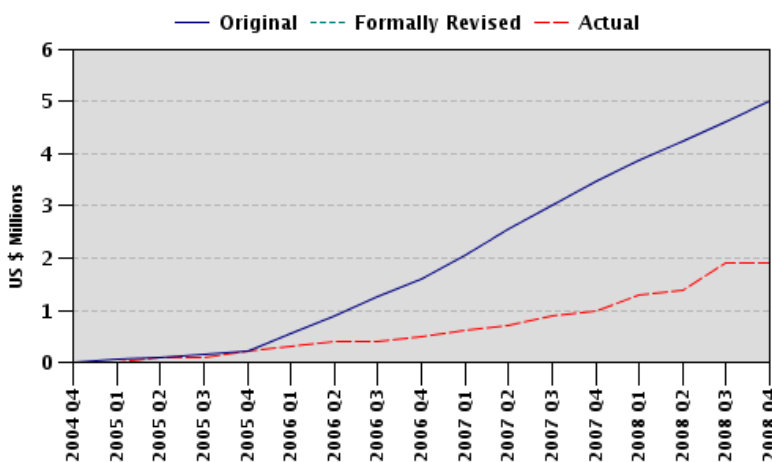
The objectives are to improve the financial sustainability, effectiveness, and efficiency of the pension system.

Progress toward achieving development objective(s):

Following a long period of poor performance, there has been considerable progress in project implementation in 2008. The Project has supported the development of capacity for pension policy design and analysis of the pension system. Both long- and short-term pension models were developed and the team of experts from all pension-related institutions trained in using the models for pension system analysis and identification of reform options. The reporting form for a unified contribution collection has been developed and the new business processes defined. The development of software is currently on-going. The legislative framework for the voluntary pension system was developed and the public education campaign was completed successfully.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-39190	Effective	5.69	1.85	3.71	0.00



Project Name (ID): SUST TOURISM DEVT (P093461)

Country: Montenegro

Board Approval Date: 06/12/2007

Closing Date: 09/30/2011

Loan/Credit/Grant Number: IDA-43220, IDA-Q5250

Sector(s): Water supply (89%), Sub-national government administration (8%), Central government administration (3%)

Theme(s): Access to urban services and housing (P), Water resource management (P), Pollution management and environmental health (S), Environmental policies and institutions (S), Biodiversity (S)

Project Development Objectives:

The project development objective is to assist Montenegro in better designing and implementing an integrated coastal zone management approach to reduce coastal degradation and in the same time foster environmentally sound tourism development.

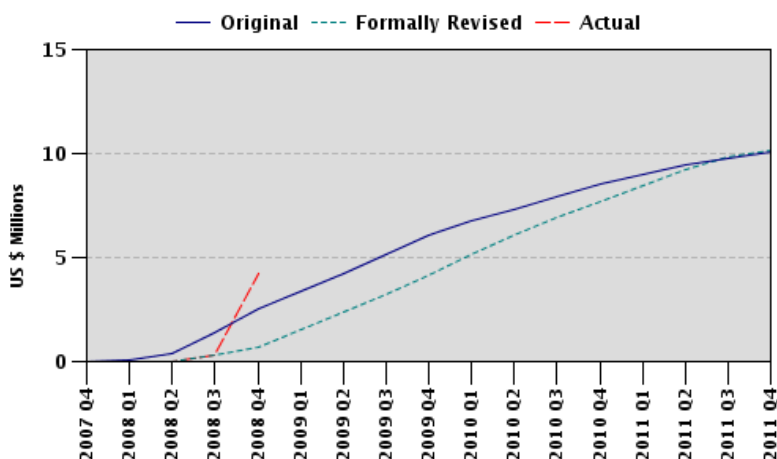
Progress toward achieving development objective(s):

The project became effective on November 26, 2007 and has since made some progress towards meeting part of its development objective. Two of three major investment contracts for construction of a regional water supply scheme from Lake Skadar to the coast were initiated in the fourth quarter of the year. The water supply scheme will take water from the Lake to the Municipality of Bar, fostering tourism development in the area. Background studies on the environment were carried out to support dialogue and action on coastal zone protection and tourism development, which is high on Montenegro's development agenda. These activities are expected to continue in FY09. Disbursements under the credit were about 49% by the end of the fiscal year.

Discussions on provision of additional financing by the Bank, for other investments in water supply and wastewater and environmental management to enhance achievement of the development objectives were also initiated between the Government and the Bank.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-43220	Effective	10.78	4.17	6.59	0.00
IDA-Q5250	Closed	1.78	0.00	1.78	0.00



Project Name (ID): ECSEE APL #3 - MONTENEGRO (P106899)

Country: Montenegro

Board Approval Date: 07/06/2007

Closing Date: 03/31/2012

Loan/Credit/Grant Number: IDA-43510

Sector(s): Power (81%), Renewable energy (19%)

Theme(s): Regional integration (P), Infrastructure services for private sector development (P)

Project Development Objectives:

Within the overall Energy Community of South East Europe (ECSEE) APL 3 objectives/context, this project would provide investment support to the Electric Power Utility of Montenegro. Specifically, the objective of the ECSEE APL3-Montenegro project is to improve the efficiency and reliability of the power system in Montenegro, through better supply security and closer integration into the regional markets.

Progress toward achieving development objective(s):

The Project became effective in the latter part of the reporting period and was still in too early a stage for meaningful progress. Implementation is progressing well with one contract signed and bidding documents already prepared for two packages.

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

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-43510	Effective	9.56	0.00	9.57	0.00

