

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: EUROPE AND CENTRAL ASIA
COUNTRY: POLAND

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: Europe and Central Asia
Country: Poland

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects 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 Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Poland

Project Name (ID): Second Roads (P008593)

Country: Poland

Board Approval Date: 10/28/1997

Midterm Review Date: 10/02/2000

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IBRD-42360, IBRD-42361

Sector(s): Roads and highways (96%), Central government administration (4%)

Theme(s): Infrastructure services for private sector development (P), Access to urban services and housing (S), Rural services and infrastructure (S), Public expenditure, financial management, and procurement (S)

Project Development Objectives:

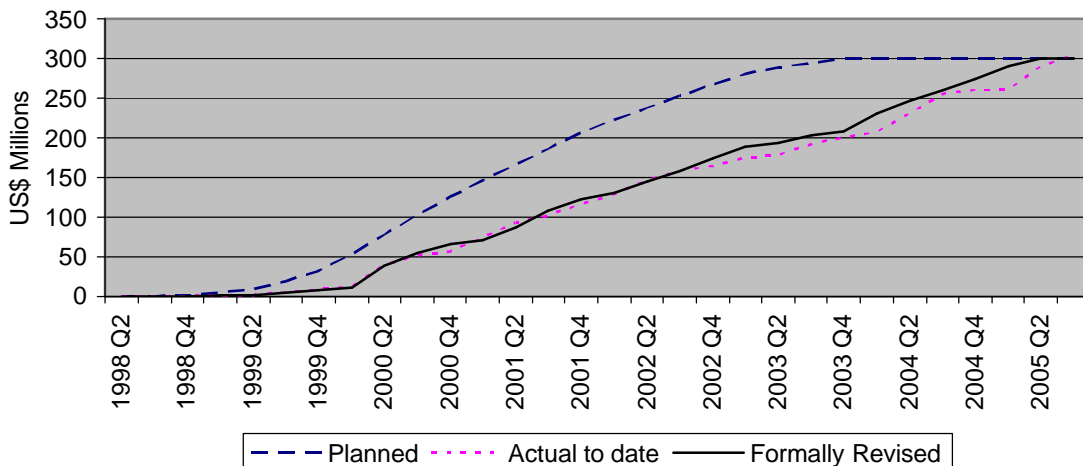
The objective is to support and modernize the road sector along the lines of the environmental and traffic safety policy initiated under the first Roads Project.

Progress toward achieving development objective(s):

The development objective has been achieved. The capacity of the Road Agency to monitor and plan investments has increased substantially. The computerized road management software (HDM-4) is fully operational and has enabled the Road Agency to issue a 6 year rolling road expenditure plan. General improvements have been made to road conditions, including the repair of flood damaged infrastructure. Domestic contractors are now better prepared to compete effectively for contracts involving rehabilitation and construction of roads in the future as a result of improvements in managerial capacity and financial stability. Road casualties have not decreased as expected, however, and rates here are still high according to European Union standards. International and local road safety experts have helped the government plan for future improvements in this area by identifying the most cost-effective road safety investments.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-42360 | Effective | 150.00 | 150.00 | 0.00 | 0.00 |
| IBRD-42361 | Effective | 166.75 | 156.09 | 1.17 | 0.00 |



Project Name (ID): Bielsko-Biala Water (P008595)
Country: Poland
Board Approval Date: 06/04/1996
Midterm Review Date: 05/08/2000
Closing Date: 07/31/2005
Loan/Credit/Grant Number: IBRD-40320, IBRD-40321
Sector(s): Water supply (61%), Sewerage (39%)
Theme(s): Water resources management (P), Access to urban services and housing (S)

Project Development Objectives:

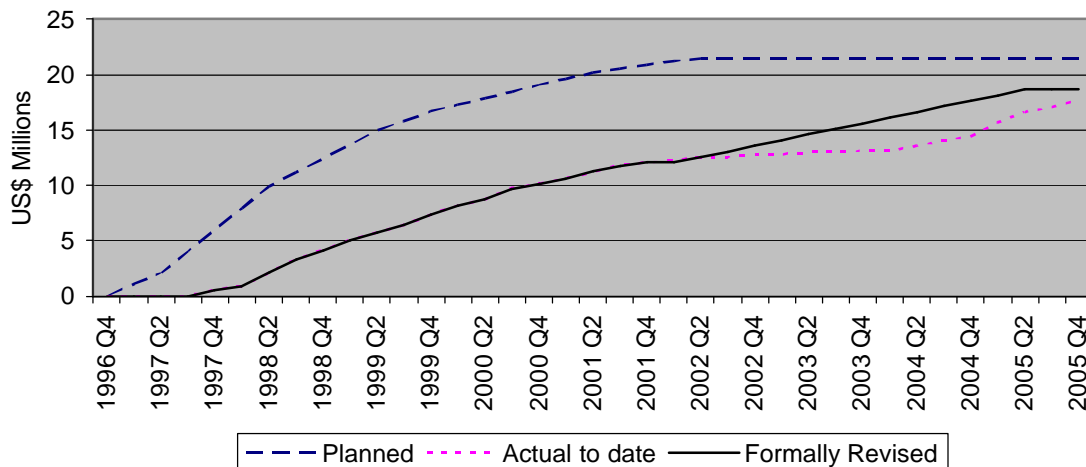
The objectives of the project are to strengthen the management and operations of Bielsko-Biala; upgrade water supply and wastewater collection services to improve the living standard and protect the health of the people of Bielsko-Biala; and, expand wastewater treatment to contribute to the clean up of the region’s water resources.

Progress toward achieving development objective(s):

The project has met and surpassed its development objectives. Improvements to the performance of the water treatment works, monitoring of water quality and reliability of water supply have been achieved. Per capita water demand has decreased by about 60 percent. Analysis of water samples from local surface water sources has shown a trend toward improved water quality. Full biological treatment has been extended from 38 percent to 100 percent of wastewater collected in the service area. The water company now operates water supply and wastewater systems of higher complexity with fewer staff, and has successfully introduced new accounting and management systems and procedures.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|--------|--------|-----------|-------------|--------------|
| IBRD-40320 | Closed | 12.00 | 11.50 | 0.50 | 0.00 |
| IBRD-40321 | Closed | 8.14 | 6.24 | 1.15 | 0.00 |



Project Name (ID): Szczecin-Swinoujscie Seaway and Port Modernization (P008615)

Country: Poland

Board Approval Date: 12/12/2000

Midterm Review Date: 12/12/2002

Closing Date: 06/30/2007

Loan/Credit/Grant Number: IBRD-70390, IBRD-70400

Sector(s): Ports, waterways, and shipping (100%)

Theme(s): Infrastructure services for private sector development (P), Other financial and private sector development (P)

Project Development Objectives:

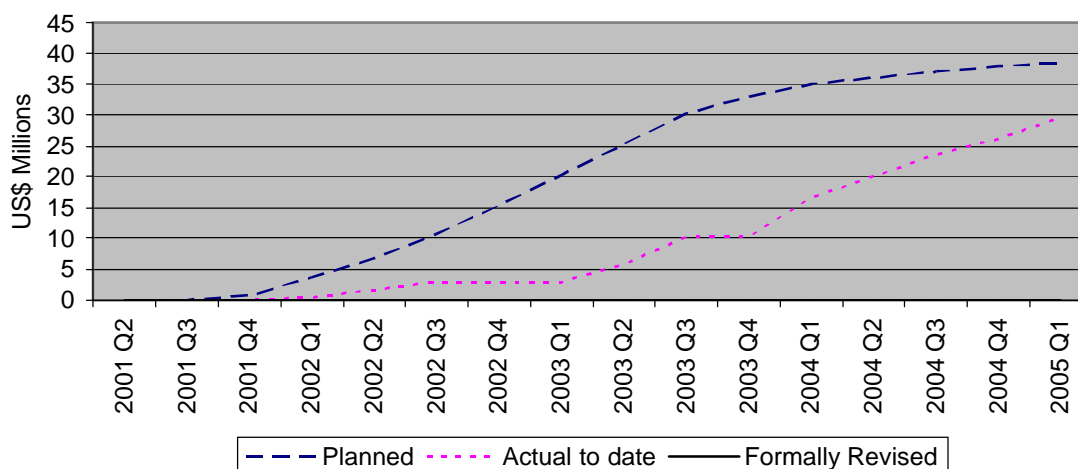
The development objective of the project is to promote Poland's trade by developing an efficient administrative/managerial structure and improving physical facilities in the ports of Szczecin-Swinoujscie. In this way they will provide efficient services in competition with the other Polish major ports of Gdansk and Gdynia and facilitate private sector involvement in commercial operations.

Progress toward achieving development objective(s):

The project has made substantial progress towards meeting its development objectives. The rehabilitation of the seaway between Szczecin and Swinoujscie (representing about 2/3 of the total project cost) has been completed according to schedule. Vessels servicing the port of Szczecin now benefit from a safer, wider entrance to the Piastowski canal and from rehabilitated canal. Ship traffic and cargo weight have increased by 8.8% in 2004 (15.6 MT against 13.3 MT in 2003). A two year extension of the closing date was approved in 2005 to allow the construction of new berthing facilities by the Port of Authority to be operated by the private sector to respond to the current and foreseen traffic increase.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-70390 | Closed | 35.34 | 29.52 | 3.67 | 0.00 |
| IBRD-70400 | Effective | 14.11 | 0.11 | 13.97 | 0.00 |



Project Name (ID): Flood Emergency (P053796)

Country: Poland

Board Approval Date: 12/18/1997

Midterm Review Date: 12/06/1999

Closing Date: 12/15/2005

Loan/Credit/Grant Number: IBRD-42640

Sector(s): Central government administration (45%), Housing construction (20%), General water, sanitation and flood protection (16%), Roads and highways (12%), District heating and energy efficiency services (7%)

Theme(s): Natural disaster management (P), Water resources management (P)

Project Development Objectives:

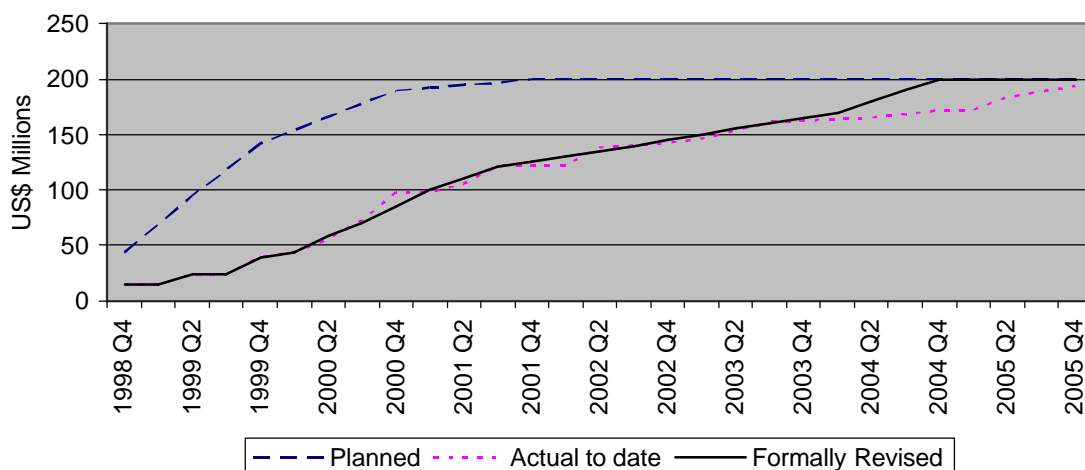
The Project development objectives are to restore basic infrastructure in municipalities and rural areas affected by the flood; reduce vulnerability and risk of future floods; and strengthen and modernize the flood management system.

Progress toward achieving development objective(s):

In many aspects, the project has surpassed the development objectives. Poland now has one of the most sophisticated systems of weather and flood forecasting, warning and management in the world. This will give Poland requisite warning to avoid or at least mitigate potential damages from future great storms. City and rural infrastructure that was damaged during the flood in 1997 has been fully repaired. This involved 880 subprojects in 6 voivodeships and 185 Powiats/Gminas.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-42640 | Effective | 200.00 | 193.84 | 6.16 | 0.00 |



Project Name (ID): Railway Restructuring (P040795)

Country: Poland

Board Approval Date: 05/29/2001

Midterm Review Date: 10/21/2002

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-70540, JPN-29121

Sector(s): Other social services (98%), Central government administration (2%)

Theme(s): Improving labor markets (P), State enterprise/bank restructuring and privatization (P), Infrastructure services for private sector development (S)

Project Development Objectives:

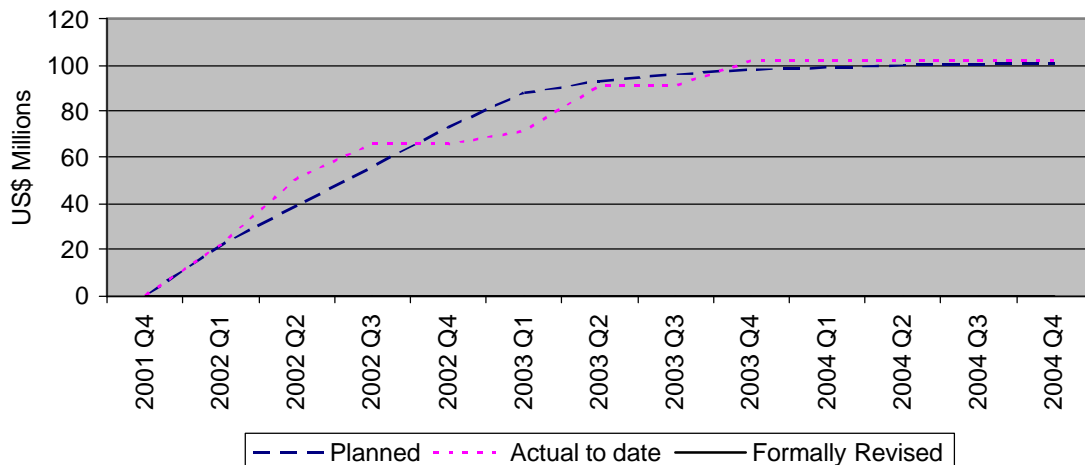
The objective is to support implementation of the commercialization, restructuring and partial privatization of Polish State Railways.

Progress toward achieving development objective(s):

The project has made substantial progress towards meeting its development objective. Polish State Railways has implemented fundamental structural reform in its organization, labor, and finance operations. Successful privatization of many of the operating companies in the new Polish State Railways has led to substantial progress in two key outcomes: a) the transition to a market structure in freight services from a monopoly structure, with 40 licenses having been issued to private operators; and b) the phasing out of subsidies to passenger services from profits made in freight services. Key privatization activities are as follows: 1) divestiture of the Warsaw commuter railway to a consortium of local government authorities; b) corporatization of the commuter railway in Gdansk-Gdynia-Sopot; and, c) privatization of seven of the eight infrastructure maintenance companies.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-70540 | Effective | 132.68 | 101.81 | 0.15 | 0.00 |
| JPN-29121 | Closed | 0.89 | 0.94 | 0.00 | 0.00 |



Project Name (ID): Krakow Energy Efficiency (P065059)

Country: Poland

Board Approval Date: 06/07/2001

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IBRD-70570, JPN-25809

Sector(s): District heating and energy efficiency services (100%)

Theme(s): Climate change (P), Other urban development (P), Pollution management and environmental health (S)

Project Development Objectives:

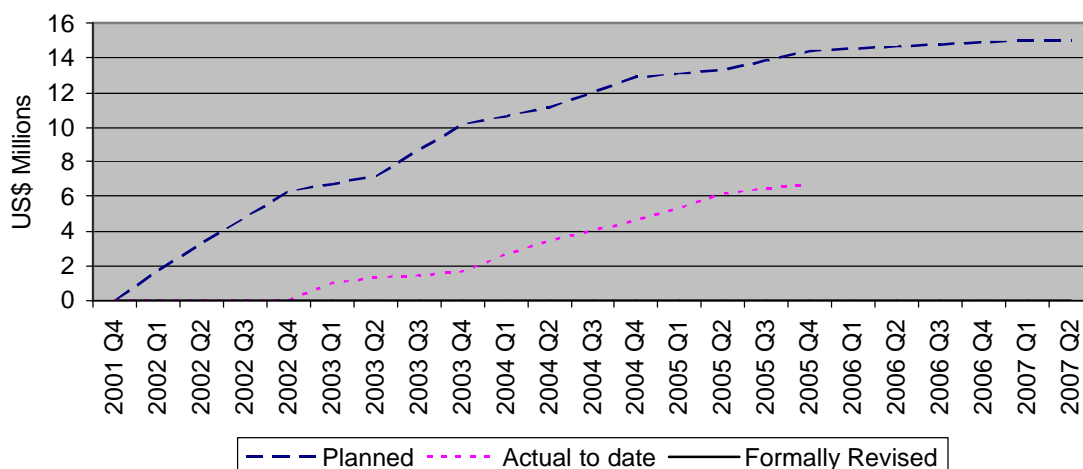
The objective of the project is to improve energy efficiency of the heating systems in the Malopolskie Voivodship (the Krakow region).

Progress toward achieving development objective(s):

The project is on track to achieve development objectives. The quality and efficient of heat supply has improved considerably, and implementation of remaining activities in this component of the project is expected to remain on schedule. There has been slow progress in the other component of the project, which is related to preparing the Energy Service Company (ESCO) to compete in the market, although improvements are expected in the next six months.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-70570 | Effective | 18.36 | 6.66 | 11.63 | 0.00 |
| JPN-25809 | Closed | 0.19 | 0.16 | 0.00 | 0.03 |



Project Name (ID): Hard Coal Social Mitigation (P066512)

Country: Poland

Board Approval Date: 03/30/2004

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IBRD-72240

Sector(s): Mining and other extractive (50%), Other social services (30%), Vocational training (20%)

Theme(s): Small and medium enterprise support (P), Improving labor markets (P), Social risk mitigation (P), Other social protection and risk management (S), State enterprise/bank restructuring and privatization (S)

Project Development Objectives:

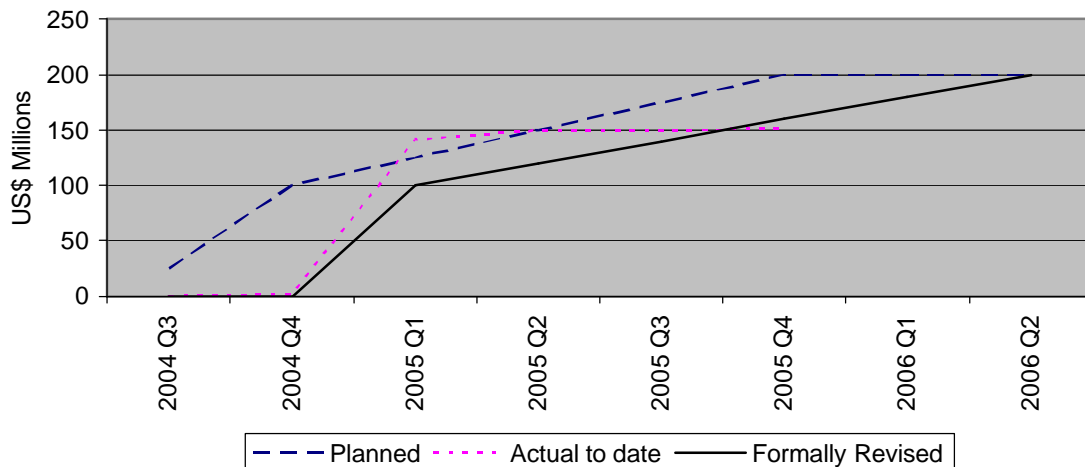
The objective of the project is to improve the efficiency of the hard coal industry by supporting the implementation of capacity restructuring, environmental improvement and subsidence repair for the calendar years 2004-2006 of the 2003-2006 Hard Coal Sector Restructuring Program and on-going commitments from the 1998-2002 Hard Coal Sector Reform Program.

Progress toward achieving development objective(s):

The project has had success in retrenchment as eligible underground workers have taken severance packages and left the industry. However, eligible surface workers are not taking severance packages; and, thus, there has been very little hiring of surface workers by participating employers. The project has also had success in making the coal sector become a profitable sector that contributes to economic growth as the KW, KHW and JSW mining companies have each improved efficiency, adhered to a hard budget constraint, and improved their balance sheets. The pre-privatization analysis for the KHW Company has been completed and the analysis for the JSW Company is in progress.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-72240 | Effective | 192.98 | 151.36 | 44.46 | 0.00 |



Project Name (ID): Energy Efficiency (P070246)

Country: Poland

Board Approval Date: 10/14/2004

Closing Date: 06/30/2011

Loan/Credit/Grant Number: MULT-24009, MULT-54104

Sector(s): District heating and energy efficiency services (60%), Banking (20%), Health (10%), Primary education (10%)

Theme(s): Climate change (P), Other financial and private sector development (S)

Project Development Objectives:

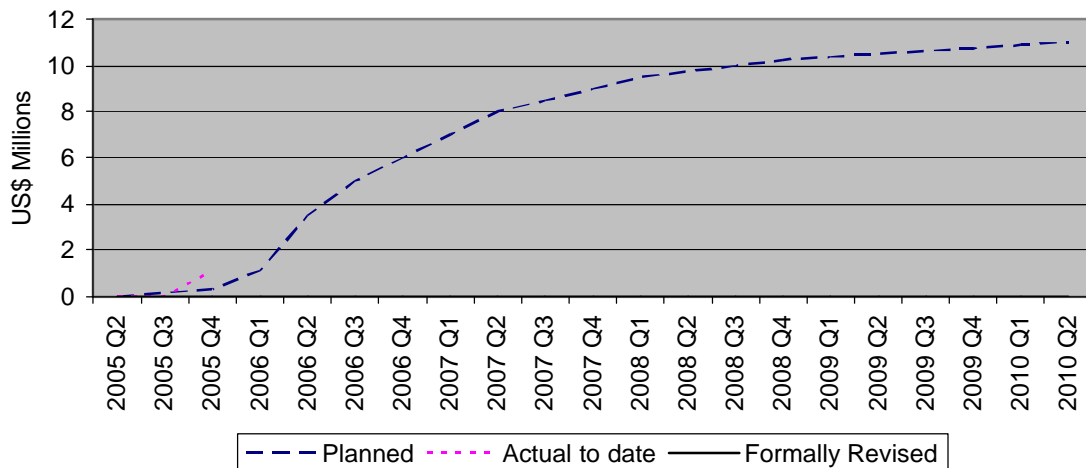
The objective of the project is to increase public and private sector investments in energy efficiency in buildings.

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 reporting.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| MULT-24009 | Closed | 0.18 | 0.17 | 0.00 | 0.01 |
| MULT-54104 | Effective | 11.00 | 1.10 | 9.90 | 0.00 |



Project Name (ID): Road Maintenance and Rehabilitation (P078170)

Country: Poland

Board Approval Date: 03/30/2004

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IBRD-72230

Sector(s): Roads and highways (87%), Central government administration (12%), Sub-national government administration (1%)

Theme(s): Infrastructure services for private sector development (P), Administrative and civil service reform (P), Other financial and private sector development (P)

Project Development Objectives:

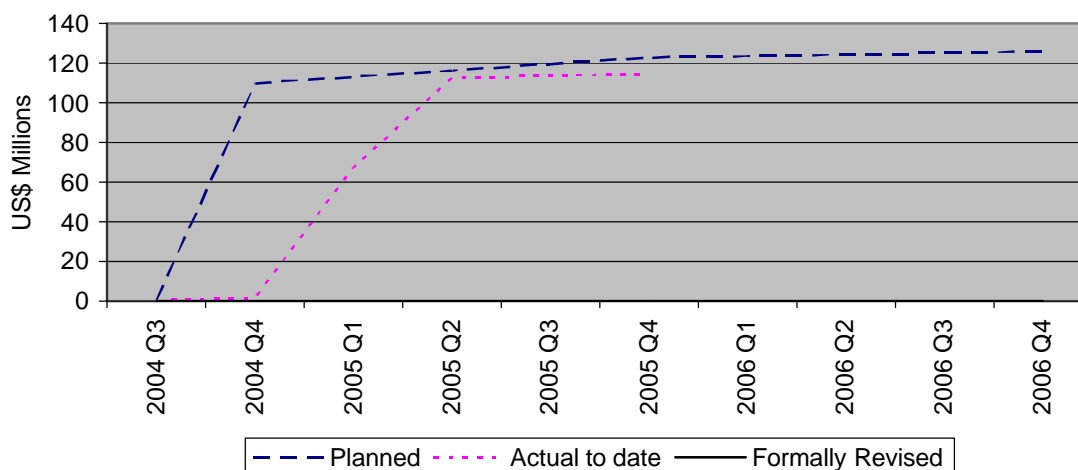
The objective of the project is to improve the effectiveness of Poland's national road rehabilitation and maintenance systems by: (i) significantly increasing the percentage of national roads in good conditions; (ii) establishing reliable and stable funding for the national road maintenance and rehabilitation network and for road safety; and (iii) improving the capacity within the General Directorate for National Roads and Motorways (GDDKiA) to operate efficiently and effectively and to reflect the views of road users in developing its programs.

Progress toward achieving development objective(s):

During its first year of implementation the project has made progress toward meeting its development objective. GDDKiA has finalized its revised Modernization Action Plan and some of the agreed activities in project components on management and core processes have started.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-72230 | Effective | 120.62 | 114.65 | 7.42 | 0.00 |



Project Name (ID): Coal Mine Closure (P083093)

Country: Poland

Board Approval Date: 07/01/2004

Closing Date: 03/31/2008

Loan/Credit/Grant Number: IBRD-72470, JPN-51898

Sector(s): Mining and other extractive (95%), General agriculture, fishing, and forestry (5%)

Theme(s): Pollution management and environmental health (P), State enterprise/bank restructuring and privatization (P), Other financial and private sector development (S), Land administration and management (S), Regional integration (S)

Project Development Objectives:

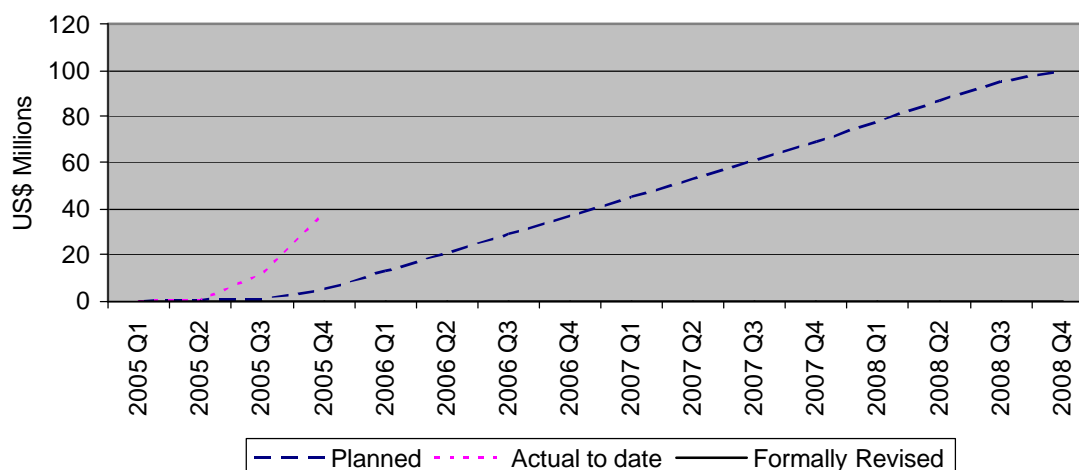
The specific objective of the project is to improve the efficiency of the hard coal industry by supporting the implementation of capacity restructuring, environmental improvement and subsidence repair for the calendar years 2004-2006 of the 2003-2006 Hard Coal Sector Restructuring Program and on-going commitments from the 1998-2002 Hard Coal Sector Reform Program.

Progress toward achieving development objective(s):

Using competitive bidding to minimize costs and in compliance with environmental requirements, the SRK Company has started closure of two new mines in addition to the mines already under closure. The mining companies have prepared and are implementing environmental management plans and are undertaking subsidence repair for their operations. All mining companies are increasing productivity, making profits, adhering to a hard budget constraint and improving their balance sheets. The KW Company is making progress towards completing its restructuring which is a key step toward preparation for privatization.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-72470 | Effective | 101.44 | 38.14 | 65.35 | 0.00 |
| JPN-51898 | Closed | 0.10 | 0.10 | 0.00 | 0.00 |



Project Name (ID): Second Road Maintenance and Rehabilitation (P088824)

Country: Poland

Board Approval Date: 03/29/2005

Closing Date: 12/31/2007

Loan/Credit/Grant Number: IBRD-72820

Sector(s): Roads and highways (96%), Central government administration (4%)

Theme(s): Infrastructure services for private sector development (P), Regional integration (P), Non-communicable diseases and injury (S)

Project Development Objectives:

The project development objective is to continue improving the effectiveness of Poland's national road rehabilitation and maintenance systems, with emphasis on quality, efficiency, financial viability, and road user satisfaction.

Progress toward achieving development objective(s):

The project had just become effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-72820 | Effective | 120.62 | 0.00 | 120.62 | 0.00 |

