

1. CPS Data	
Country: FYR MACEDONIA	
CPS Year: FY 2007	CPS Period: FY2007 -FY2010
CPSCR Review Period: FY2007 –FY2010	Date of this review: September 23, 2010

2. Executive Summary

- i. The FY 2007-2010 FYR Macedonia Country Partnership Strategy (CPS) was a joint strategy of the World Bank (WB) and International Finance Corporation (IFC). This review evaluates the FY 2007 CPS, its FY 2009 CPS Progress Report (CPSPR) and their implementation, and evaluates the CPS Completion Report. The review covers both IBRD and IFC activities.
- ii. The 2007 CPS was launched in a favorable environment characterized by a strong political consensus on development objectives, a program for achieving them, and an impressive recent track record on economic management and strong development program implementation. It presented a Bank Group program focused on: (i) fostering job-creating economic growth and increasing living standards for all; and (ii) improving governance and transparency in public sector delivery to support a market economy. In the CASPR, prepared in 2009 to meet a commitment made in the original CPS, the Bank Group's objectives were disaggregated into four clusters of outcomes: (a) competitiveness and growth; (b) business environment; (c) human development; and (d) infrastructure. These objectives as originally cast and as disaggregated were highly relevant and realistic in view of the country consensus on policies and priorities and its track record, although there was some uncertainty at the outset concerning the pace and extent to which opportunities for private sector investment suitable for IFC support would emerge.
- iii. The record is mixed with regard to achievement of the outcomes supported by World Bank Group assistance. Good progress was made with regard to most of the specific achievement benchmarks set in the competitiveness and growth and business environment areas. Progress was more mixed with regard to human development and infrastructure objectives, with limited or no progress registered against some benchmarks. Taken as a whole, an overall outcome rating of World Bank Group assistance of *moderately satisfactory* is indicated.
- iv. IBRD and IFC performance are also rated as *moderately satisfactory*. There was proactive coordination between IBRD and IFC, which was welcomed by the Government. The main areas in which performance could have been better were the design and implementation of the results framework for the CPS and in exploiting IBRD-IFC synergies in the growth and competitiveness and business environment areas, and in promoting public private partnerships in human development and infrastructure. On the Bank side, there is also some evidence in supervision reports that design complexity of some non-policy-based lending operations is contributing to implementation problems – particularly recently – and that designs could have been simplified.
- v. IEG underscores three findings of the CPSCR. First, IEG concurs with the need for greater selectivity going forward and notes that this may imply a need for more budget (Bank and trust fund) resources on the IBRD side for the in-depth analytical work needed to support selective lending development and analytical and advisory activities (AAA). Second, IEG concurs with the need for better intra-Bank Group coordination and exploitation of latent synergies, and notes that in addition to the instruments identified in the CPS for better integration of the results framework, it should also

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explicitly reflect inputs, outputs, and outcomes of both IBRD and IFC. Third, IEG concurs with the need for the results framework for the new CPS to include monitorable outcome indicators. This framework should, as noted previously encompass both IBRD and IFC activities and be updated frequently as a basis for continuing efforts to keep program performance on track.

3. CPSCR Summary

Overview of CPS Relevance:

1. **Country Context:** FYR Macedonia's development prospects and prospects for productive partnership with the Bank were strong at the time of the FY 2007 CPS. It had achieved EU candidate status (December 2005) and was also working toward NATO membership, its two overarching medium term political goals. While still some distance from the membership thresholds-long lists of policy and institutional developments yet to be completed-EU accession and NATO membership were attainable in the medium-term. The 2006 elections had delivered a coalition government with broad commitment to implementing the changes needed to attain these goals, which were spelled out in a program (*Rebirth in 100 Steps*) endorsed by all members of the coalition. Strong economic management delivered macroeconomic stability and structural reform: FYR Macedonia gained direct access to foreign capital markets (2005), its bonds had been rated just below investment grade, and it had successfully issued its first Euro bond on relatively favorable terms. Growth, however, had been disappointing and unemployment high. The IBRD-FYR Macedonia partnership had been strengthened considerably during the FY 2004-06 CAS period, with successful completion of a high case support program, with good implementation performance. During this period, IFC focused on advisory services to overcome shortcomings in the business environment, and could not find appropriate investment opportunities.
2. **World Bank Group Strategy:** The FY 2007-10 CPS presented a WBG program of support for the Government's program focused on (i) fostering job-creating economic growth and increasing living standards for all, and (ii) improving governance and transparency in public sector delivery to support a market economy. It envisaged an IBRD lending envelope of between US\$ 220 million (Base Case) and US\$ 280 million (High Case), comprised of up to three development policy operations, nine investment operations, and one project supported by the Global Environment Facility (GEF), complemented by a program of 17 AAA deliveries (11 economic and sector work-ESW, 6 non-lending technical assistance--NLTA). The CPS set forth a fully articulated results framework, linking portfolio and planned products to expected CPS outcomes, but did not include expected IFC results.
3. **IFC focused on the first pillar of the CPS, where it aimed to enhance competitiveness of firms in strategic sectors and improve the business environment through both its investments and advisory services.** IFC planned to seek investment opportunities in sectors such as infrastructure (public-private partnerships--PPPs in energy and gas distribution sectors), social (education) and financial (with small and medium enterprise--SME focus) sectors, as well as SMEs, either directly or through regional investors-any of these investments would be the first since 2003. IFC also planned advisory services in the areas of alternative dispute resolution, corporate governance, recycling, international technical standards, simplification of business licensing and inspections regulations, industry and sub-national competitiveness.
4. **The CPS was updated in a Progress Report (CPSPR) in 2009.** While confirming the two broad pillars of the original strategy, it revamped the program and its results framework into four clusters: competitiveness and growth, business environment, human development, and infrastructure. These clusters were more thematically coherent and had a smaller number of progress indicators and benchmarks. IFC's strategy was recast to add emphasis on support to the banking sector in the form of possible advisory services, and investment through a recapitalization fund in response to global financial crisis. The other objectives of the IFC strategy remained largely the same.

5. Relevance: The relevance of the World Bank Group's objectives is high. They are well-aligned with the objectives of the Government's "Rebirth Program", as updated and expanded in a revision completed in 2008, and in terms of the current Government's priorities. Individual planned IBRD interventions were well-grounded in prior analytical work. They were underpinned by a substantial body of Bank and other analytical work on development constraints. Areas identified by IFC for possible investment and advisory activities were also well aligned with country priorities and, in substance, with IBRD planned operations. The World Bank Group's overall program design was well-integrated into a broader development partnership framework including activities of the EU and bilateral donors, although opportunities for closer collaboration within the World Bank Group, between IBRD and IFC, were not fully exploited. For example, IBRD and IFC activities in support of an improved business licensing and inspection regulating environment proceeded in parallel until, at the client's request, they were merged into a "one-stop" approach.

6. Planned IBRD delivery volumes were reasonable in view of prior implementation experience, although the span of proposed Bank assistance was very broad-as it probably had to be, given the Government's aspiration to achieve EU membership at the earliest possible date and the many areas that needed to be addressed to achieve that objective. Faced with limited investment opportunities, IFC focused more on advisory services to help create an investment enabling environment and to enhance competitiveness. IFC's investment program was largely conditioned by the implementation of the Government's reforms and privatization programs, over which IFC had no direct control. The reformulation of the CPSPR provided a more coherent framework for describing the program, but the span of operations and the complexity of individual operations on the IBRD side remained significant.

7. The least satisfactory aspect of the strategy, both as propounded originally and as updated, was the results framework linking country objectives to CPS outcomes to CPS outputs. Most of the indicators specified with regard to achievement of targeted outcomes related primarily to project level outputs. Very few indicators pertained to outcomes as reformulated in terms of the four clusters and specific outcomes envisaged. Another serious shortcoming – impeding realization of within-Bank Group synergies – was the failure to integrate IFC's anticipated activities into the CPS results framework. (See below discussion of the results framework in sections on Bank Group Performance and CPSCR quality).

Overview of CPS Implementation:

8. The CPS program was implemented generally as envisaged and with proactive cooperation between IBRD and IFC. IBRD committed US\$ 295 million – modestly above the upper end of the envelope envisaged in the CPS, but roughly consistent with the sectoral and lending-instrument profiles anticipated in the CPS. IBRD AAA deliveries were also broadly consistent with the CPS program. IFC delivered two investment operations totaling US\$90 million and ten advisory service operations. Independent evaluation evidence is sparse, but what is available on the IBRD side (ICR Reviews, portfolio implementation data – no QAG data are available) indicates that products delivered – lending, supervision, and AAA - were of satisfactory quality. On the IFC side, investment projects (supervision, role, and contribution) and the advisory projects were of satisfactory quality, according to the evaluative notes of the Expanded Project Supervision Reports for three investment projects approved in FY98-FY02 and a Project Completion Report of one advisory project approved in FY06. IFC's evaluated investments, however, overall did not result in satisfactory development and investment outcomes, due to both project operational issues and a difficult business environment (that worsened after an ethnic conflict in the country in 2001).

9. IBRD: CPS implementation was broadly consistent with overall CPS design. Of IBRD's 11 planned lending operations (including one GEF operation), 8 were delivered, 3 were dropped, and 2 not originally envisaged were added. The volume of actual lending was somewhat more than the high case of the approved CPS envelope, with slightly more policy based lending than envisaged (US\$ 80 million actual versus US\$ 70 million originally programmed). The sectoral composition of

lending was roughly as originally envisaged, although in the infrastructure sector the Bank concentrated more on roads and less on energy and rail than originally foreseen. AAA deliveries were also roughly in line with expectations.

10. Available indicators of the quality of the IBRD's support work are generally positive. Of the four operations exiting the portfolio during the CPS period, outcomes were rated by IEG as moderately satisfactory (2) or satisfactory (2).¹ Risk to development outcome was rated as moderate (3) or significant (1). Of the two operations that both entered and exited the portfolio during the CPS period, Bank performance was rated by IEG as satisfactory in all dimensions. Portfolio implementation performance data indicate better-than-regional average performance on percent of projects at risk and percent of commitments at risk, although FYR Macedonia's performance was declining somewhat during the last two years of the CPS period.

11. IFC: During the CPS period, IFC approved two loans for a total of \$89 million: a US\$55 million post-privatization loan to the Austrian owned electricity distribution company, EVN; and a US\$34 million loan to NLB Tutunska Banka, the country's third largest bank, to support the SME sector. The two investments were greenfield projects (where no institution, asset or operations existed before) in the infrastructure and financial sectors, representing a total project value of \$210 million. IFC supplemented its investments with 10 advisory operations (including issues such as corporate governance, alternative dispute resolution mechanisms, and international standards) with a total funding of \$4.4 million, including four programs approved in the earlier CAS period and their follow-on extension projects.

12. The three IFC investments evaluated by IEG upon their operational maturity (approved in FY98-FY02), and that were active during the review period, had low development outcomes. One project remained in the portfolio and thus continued to be monitored by IFC's Development Outcome Tracking System (DOTS) together with other active projects. The latest DOTS report indicates that this project...as is also the case for two other mature projects in the portfolio-has satisfactory development results. The two projects approved in the CPS period are at an early stage of implementation, and development outcomes are therefore not yet available. In terms of investment outcomes, one out of the five investments in IFC's portfolio was performing poorly as of end-FY10 according to IFC's Credit Risk Ratings, owing to operating challenges mainly due to external factors such as regulatory changes and legacy debt issues.

13. Safeguards and Fiduciary Issues: IEG is not aware of any specific safeguards or fiduciary issues arising from implementation of the World Bank Group's program in Macedonia over this period.

Overview of Achievement by Clusters:

Cluster 1: Growth and Competitiveness

14. Increase labor market flexibility and decrease the tax wedge created by social security contributions and income taxes. Specific targets for achievement during the CPS period were: (a) revision of labor laws to introduce greater flexibility in labor contracts; and (b) reduce the wedge created by the labor tax between the amount paid by the firms and what workers receive from a 2006 baseline of 34.5 percent of gross wage for average workers and from 42 percent of gross wage for workers earning 50 percent of the average wage (including fringe benefits). Good progress was made in this area. On labor market flexibility, a new Labor Law (a measure supported by the Bank's Programmatic Development Policy Loan 1--PDPL 1) was enacted expanding possibilities to use fixed-term employment, including seasonal and part-time employment, removing most restrictions on work-hours as well as introducing voluntary participation to collective bargaining. Under PDPL 2 a legislative framework establishing alternative labor dispute resolution mechanisms was drafted, and a

¹ Based on desk reviews of implementation completion reports (ICRs). None of these projects was independently assessed by IEG in the field.

law on Peaceful Resolution of Labor Disputes was adopted under PDPL 3. There was some small reduction in unemployment rates, and there was an increase in the share of the labor force with part-time and fixed term contracts: fixed term contracts increased from 43.3 percent of the labor force in 2004 to 57.6 percent in 2008. The labor tax wedge declined modestly, although this decline is not attributed to any specific Bank intervention, aside from policy dialogue.

15. Establish efficient land administration system. Specific targets of Bank assistance in this area were to increase substantially the coverage of the real estate cadastre (90 percent coverage by 2009), to reduce registration times (90 percent of offices register transactions in 3 days or less), and to build Government capacity in land policy analysis and formulation. Good progress was made on increasing the coverage of the cadastre: it has now been completed on at least 98 percent of the territory of the country. Some progress was made in reducing the time required to register land transactions (90 percent of offices now register transactions in 5 days or less) and build the Government's land policy analysis capacity. While the Bank completed four studies on land policy, there is no indication in the CPSCR of the effect this ESW on land policy analysis capability or on land policy decisions.

16. The Real Estate Cadastre and Registration project provided the financing and technical assistance needed for the establishment of the real estate cadastre and extending its coverage. It also financed the strengthening of the Agency of Real Estate Cadastre, including its policy analysis capability, by initiating formation of a Land Policy Advisory Committee and by financing land policy studies related to the security of tenure, access to land for investments, state land management, as well as an initiation of a state indemnity fund.

17. Improve institutional capacity of agriculture sector public institutions in line with EU accession requirements. The CPS identified 2 benchmarks for evaluating progress in this area: (a) Ministry of Agriculture is able to disburse and track use of all Government subsidies and rural development funds through a payment agency that is compatible with the Instrument for PreAccession for Rural Development (IPARD) program-an an EU program (by July 2010); and (b) all seven water companies initiate collection of water user fees (by December 2009). Progress in this area was mixed. Country management of IPARD funds was achieved in 2009. Institution of collection of water management fees has commenced in 5 of the 7 targeted areas. The Government also made progress in other areas of the sector relevant to EU accession.

18. Bank support contributing to these developments has been provided through the Agriculture Strengthening and Accession project (2007), and a previous Bank Irrigation Restructuring and Rehabilitation Project.

19. IEG rates the outcome of the World Bank Group's support under Cluster 1 as *satisfactory*. Progress was sustained in all three focus areas of the cluster.

Cluster 2: Business Environment

20. Improve business environment as measured by Doing Business Indicators (DBIs). Regardless of whether the changes in the laws and regulations were as expected using the DBIs, comparisons of Business Environment and Enterprise Performance Survey (BEEPS) 2008 data with data from the 2005 BEEPS show improvement in a number of areas.² Specific measures supported under the PDPL series (e.g., enactment of a Law on Business Registration under PDPL 2, further simplification of business registration procedures and requirements under PDPL 3) contributed to these improvements, as did technical assistance provided under IBRD's Business Environment Reform and Institutional Strengthening Project (BERIS).

² IEG does not use rankings and inter-country comparisons due to concerns about the comparability of DB data across countries, and more importantly, because these changes only reflect changes on the regulations and the degree of implementation of those regulations typically does not follow at the same pace.

21. Reduce the burden of regulation on businesses. Specific benchmarks set by the CPS were: (a) regulatory impact assessment (RIAs) is systematically used for all new legislation; (b) regulations eliminated or amended by after a thorough analysis of their relevance (the "regulatory guillotine"); first round of guillotine is fully implemented (64 laws and 481 bylaws eliminated or amended), and at least one more round initiated by December 2009; (c) decrease in regulatory compliance costs measured by senior management time spent on compliance with regulatory requirements (BEEPS); and (d) a single national electronic registry containing all legal acts in force is fully functional by December 2009.

22. Good progress was made in instituting (RIAs) and in instituting the unique national electronic registry of regulatory laws. Some progress was made in reducing the burden of regulation on business. A large number of laws and decrees regulating business were reviewed and flagged to be "axed" (61 laws and 481 decrees were identified for "axing") under the "regulatory guillotine". By September 2009, action was completed on 39 laws and 382 decrees, short of the targets. No progress was made on the compliance time target. Senior management time spent on compliance with regulatory requirements (as measured by BEEPS) increased from 11 percent in 2005 to 17 percent in 2008, casting doubts on the efficacy of the efforts to reduce burdensome regulation.

23. IBRD support was critical to implementation of RIAs and the guillotine. In July 2005, under PDPL 2, the Section for Economic Policies and Regulatory Reforms (SER) was established within the Government's General Secretariat to implement regulatory reforms and the "regulatory guillotine" was launched. Under PDPL 3, the "guillotine" process has been continued with amendment/derogation of laws and decrees identified as imposing unreasonable regulatory burdens, a "Unique National Electronic Registry" of laws and decrees regulating businesses was established, and the Government adopted procedures to introduce the RIA system. BERIS also contributed to the development and implementation of the RIA system.

24. To help improve corporate governance, since FY06 IFC has implemented an advisory program to raise awareness and build capacity of various stakeholders. The poor corporate governance in FYR Macedonia, reflected by substandard practices in financial reporting, auditing, information disclosure and transparency, seems to be one of the barriers to private company access to financing, and interest and confidence of potential investors. Previously, IBRD had assessed FYR Macedonia's corporate governance policy framework, enforcement and compliance practices in 2005, which resulted in several recommendations, including for overhauling the disclosure framework and completion of the corporate governance code. IFC's advisory assisted the Macedonian Stock Exchange and Securities and Exchange Commission to develop corporate governance code and scorecards and at the same time, worked with companies on implementation of best practices. The available monitoring data indicates that some participating firms were able to get access to financing (\$2.5 million).

25. Increase the efficiency of judicial system and improve courthouse infrastructure. Specific benchmarks for achievement during the CPS period were: (a) 25 percent increase in client satisfaction with court operations from 2007 to end-2009 as assessed through court users survey; (b) eight out of ten court facilities renovated (by end 2009); and (c) new court information system is introduced (by end 2009). The evolution of satisfaction with courts cannot be determined yet because the planned baseline surveys were delayed, but other targets were achieved. The results of this support on court functioning as measured by a number of indicators other than those used by the CPS to track progress have been impressive: the case backlog fell by 576 cases from June 2005 to June 2007 with 22 of the 27 basic courts recording a reduction in backlogs; enforcement of court cases increased from 18 percent in 2005 to 39 percent in 2009; the average duration of bankruptcy procedures declined from 3 years and seven months to two years and two months; according to the 2008 BEEPS, the percentage of firms that found the courts to be a problem of doing business declined from 55 percent in 2005 to 50 percent in 2008.

26. These outcomes were contributed to by the Bank via a number of measures and investments supported through the PDPL series and the associated Legal and Judicial Improvement and Institutional Support project. Specific measures included the adoption of a number of new laws that improved court functioning (e.g., new laws supported by PDPL 1 on Civil Procedure, Enforcement, Bankruptcy, and new laws supported by PDPL 2 on Courts, Misdemeanors, and General Administrative Procedure), and technical assistance and investments in court infrastructure and information systems supported via the Bank's Legal and Judicial Implementation and Institutional Support Project. IFC's contribution was through an advisory program on alternative dispute resolution that promoted mediation of commercial disputes. Within this program, IFC facilitated an amendment to the Mediation law in 2009. Although a number of cases were resolved and disputed funds (for approximately US\$ 3.5 million) released through this mechanism, recourse to mediation has remained only moderate. IFC's support in establishing pilot mediation centers and training mediators, judges, lawyers and other stakeholders was crucial to support implementation of the Mediation Law and led to subsequent amendments to redress shortfalls in the law.

27. IEG rates the outcome of the World Bank Group's assistance under Cluster 2 as *satisfactory*. Strong outcomes on business regulation simplification and impact awareness, combine with improvements in corporate governance and judicial reform. However, the changes in legislation did not lead into changes on the ground, particularly on the time that managers have to spend complying with regulations, casting doubts about the relevance of the reform program.

Cluster 3: Effectiveness of Education, Health And Social Protection

28. Improve school infrastructure and quality of education in basic and secondary education. Specific achievements targeted for the CPS period emphasized: (a) infrastructure improvement and teacher training; and (b) the establishment of a national education management and information system to provide it with baseline data.

29. Good progress was made on the first of these objectives, with substantial improvements in school infrastructure and teacher training. Progress on the information system has, however, been limited and there is relatively little information on the effects of these improvements on educational outcomes. Available data indicate, however, that secondary enrollment increased to 95 percent from 85 percent, and dropout rates decreased to 1.9 percent from 2.1 percent between 2004 and 2008. Regrettably, there is no data on schooling performance indicators.

30. The Bank has played a major role in these outcomes through the Education Modernization Project.

31. Improve efficiency and transparency of Health Insurance Fund operations and institutional and management capacity of Ministry of Health. Specific outcomes targeted for achievement during the CPS period were: (a) transparent financial management, expenditure control and performance indicators for all hospitals established; (b) implementation of diagnosis-related groups (DRGs) payment system for hospitals with 20 percent share of the hospital budgets; and (c) reference pricing for most important drugs in place. Good progress was made on each of these benchmarks, although there are still obstacles to be overcome (e.g., in the case of financial management, while systems have been improved, actual expenditure patterns have not) to achieve the efficiency improvement outcomes targeted. Bank support was via the Health Sector Management project (which supports MOH institutional and management capacity-building) and the PDPL series (which supported, inter alia, amendment of the Health Insurance Law, and supported competitive procurement of pharmaceuticals).

32. Improve administration and targeting of cash benefits and strengthen the pension system. Specific outcomes targeted for achievement during the CPS period were: (a) integrated management and information system covering all cash benefit programs including database of all beneficiaries established and operational; b first conditional cash transfer CCT program in education designed

and introduced; (c) Framework developed to allow for further consolidation of cash benefits, and (d) voluntary pension system introduced. Good progress was made on developing a framework for consolidation of cash benefits and introducing a voluntary pillar into the pension system. Progress on establishing the management information system for cash benefit programs and design and introduction of the first CCT program in education was limited due to delays in the design and implementation of the cash benefits information system.

33. The Bank has been a key contributor in these areas through a long-running dialogue on pension reform and social protection, assistance provided through the Social Protection Implementation Loan, and the new Conditional Cash Transfer Project.

34. IEG rates the outcome of the World Bank Group's assistance under Cluster 3 as *moderately satisfactory*. While there was progress in the hardware side of education and health, outcomes on the ground did not follow due to weak development of the information systems.

Cluster 4: Infrastructure

35. Improve road and rail infrastructure and management capacity. Specific benchmarks for achievement during the CPS period in this area were: (a) 50 percent of the construction of the Tabanovce-Kumanovo highway completed; (b) Agency for State Roads (ASR) is adequately managing and implementing road investments as confirmed by regular technical audits; (c) the successors of Macedonian Railways reduced operating losses as indicated by a drop in working ratios (operating costs before depreciation divided by operating revenues without subsidy) from 100 percent in 2005 to 80 percent at end-2009; (d) 140 km of regional and 75 km of local roads improved; and (e) significant decrease in freight train processing time at border stations on Corridor X, the Trans European Network Corridor linking Greece to Serbia and the rest of Europe. Good progress was made on the Tabanovce-Kumanovo highway, and some progress was registered with regard to reduction of operating losses in railways and improvement in local and regional roads. Progress on regular technical audits of the Agency of State Roads was limited – the first audits are not yet complete, and no progress has been made in reducing freight train processing time at border stations on Corridor X.

36. Achievements with respect to highways and roads construction/improvement and ASR capacity development are directly attributable to Bank support via the Regional and Local Road and Trade and Transport Facilitation in Southeast Europe (TTFSE) 2 projects, which are funding these specific activities. The Bank is pursuing improvements in railway performance via TTFSE 2 and Railway Reform projects.

37. Improve the efficiency and sustainability of the energy sector. Specific benchmarks to be achieved during the CPS period in this area included: (a) the adoption of a sound medium term energy strategy; (b) introduction of a regulatory and incentive framework for renewable energy; (c) construction of at least 10 MW of new renewable energy capacity by the end of the strategy period; (d) implementation of at least 5 energy efficiency projects; and (e) satisfactory assessment of Macedonia's performance by the 2009 Energy Community of South East Europe (ECSEE) report. Good progress was made on adoption of an energy strategy, a regulatory and incentive framework for renewable energy, and overall performance of the sector as assessed by ECSEE. Bank support in these areas was provided via the Energy Policy Dialogue and the regional ECSEE Adaptable Program Loan (APL) 3. No progress, on the other hand, was made on energy efficiency and renewable energy generating capacity benchmarks, reflecting serious problems in the implementation of the Bank's principal instrument for these objectives – the GEF-funded Sustainable Energy project.

38. IFC supported the country's only electricity distribution utility company in its post-privatization turn-around efforts to enhance operating efficiency by reducing energy losses and increasing bill collection rates. The initial development outcomes of this investment were positive with the client

company reducing the system losses from 22 percent in 2007 to 16 percent in 2009 and increasing the bill collection rate from 60 percent at privatization to 89 percent in 2009. However, these results need to be sustained and depend on the company's ability to cope with several external factors, such as regulatory changes and legacy debt issues. Recently, IFC signed an infrastructure advisory mandate with the Government to provide transaction advice for the development of the Cebren and Galiste hydro power plants (negotiations with the sole bidder are ongoing).

39. Improve local services and infrastructure in selected municipalities. Specific benchmarks targeted to be achieved during the CPS period included: (a) the implementation of the First Municipal Infrastructure and Services Improvement projects financed through Government on-lending launched (by December 2009); and (b) the development of a national strategy to strengthen communal services enterprises in place (by December 2009). Some progress was made with respect to implementation of municipal services improvement projects. The contract for one project had been negotiated and signed by the December 2009 target date. As of June 2010, two sub-loans have been signed. Through an advisory program on recycling, IFC has been facilitating the drafting of laws on waste packaging and waste batteries, and building capacity of recycling businesses. Building on this experience, IFC's ongoing Integrated Solid Waste Management Project aims to support possible private sector participation in municipal solid waste management.

40. IEG rates the outcome of the World Bank Group's assistance under Cluster 4 as *moderately satisfactory*. This rating would be downgraded to moderately unsatisfactory if IEG were to take into account only those outcome indicators identified in the CPS/CPSPR results framework. The Bank's significant contribution to strengthening the intergovernmental fiscal framework for municipal development, noted in the CPSCR, and the improvement in power system efficiency and finances supported by an IFC investment justifies an upgrade of this rating to moderately satisfactory.

Achievement of CPS Objectives by Cluster

Clusters	CASCR Rating	IEG Rating	Explanation / Comments
Growth and Competitiveness	Satisfactory	Satisfactory	
Business Environment	Satisfactory	Satisfactory	
Human Development	Moderately Satisfactory	Moderately Satisfactory	
Infrastructure	Moderately Satisfactory	Moderately Satisfactory	

Comments on Bank Group Performance:

41. The CPS strategy, as originally propounded and as updated at the CPSPR stage, was highly relevant and realistic in 2007, and remains so today. While IEG agrees with the CPSCR observation that the FY 2007-2010 program was somewhat unfocussed, IEG also concurs that this was an appropriate Bank response to the client's past performance and its over-arching objective to move as quickly as possible to EU and NATO membership. The CPSPR was unusually informative, to a large extent as a result of the creative use of the LEADS (a system for assessing progress toward goals as "L - little or no progress", "E - elements exist/being considered", "A - action being taken", "D-largely developed, or "S – substantially in place") as a framework for assessing progress, and constructive – in its effort to bring a bit more strategic coherence into the Bank's program.

42. The weakest aspect of Bank Group performance is the results framework for the CPS period, both as originally formulated and as revised at the PR stage. The indicator framework relies heavily on project implementation milestones, with few indicators related to assessing the degree of achievement of the CPS outcomes targeted by Bank assistance, and without bringing on board

expected IFC results. The CPSCR is informative, presenting some very useful data on, e.g., improvements in various dimensions of court performance, achievements of measures to reform intergovernmental finances, which could and should have been incorporated into the CPS/CPSPR results framework.

43. Appraisal, supervision, and AAA operations carried out within the strategy, appear to have been well-coordinated and, although not extensively evaluated, well within Bank quality norms. Investment and TA lending operations, because of their broad, multi-component scope, have tended to be complex – as reflected in observations made in several supervision reports, contributing to some implementation difficulty, which emerged clearly in trends in the last two years of the CPS period.

44. The Bank also appears to have been a constructive participant in FYR Macedonia's broader development partnership, working productively with the EU and with several of FYR Macedonia's bilateral development partners both on individual projects as well as broader aid coordination, donor harmonization, and country process issues. As noted above, however, within-Bank-Group coordination between the Bank and IFC might have been improved, as exemplified by lack of coordination of work in the business environment area in the early part of the CPS period.

4. Overall IEG Assessment

Outcome:	<i>Moderately Satisfactory</i>
Bank Performance:	<i>Moderately Satisfactory</i>
IFC Performance:	<i>Moderately Satisfactory</i>

45. This review rates outcomes with regard to growth and competitive and business environment at just above the threshold required to warrant a rating of Satisfactory, while both human development and infrastructure are rated at the middle of the moderately satisfactory range. Accordingly, an overall outcome rating of *moderately satisfactory* is warranted.

46. Bank performance is rated as *moderately satisfactory*. The Bank coordinated well with IFC. The main areas in which Bank performance could have been better was in the design and implementation of the results framework for the CPS and in exploiting synergies between IBRD and IFC both in the obvious growth and competitiveness and business environment areas, but also in promoting public private partnerships in human development and infrastructure. On the Bank side, there is also some evidence in supervision reports that design complexity of some nonpolicy-based lending operations is contributing to implementation problems – particularly recently – and that designs could and should have been simplified. The CPSCR also cites some Government factors – e.g., weak capacity of Government institutions in charge of underachieving projects, poor managerial practices - changes of project management teams, and lack of coordination among key players involved in project implementation – as possible contributing factors.

47. IFC performance is rated as *moderately satisfactory*. IFC's stated strategy in FYR Macedonia over the review period was comprehensive, indicating active participation of IFC in the formulation of the CPS. However, IFC's objectives were not well integrated in the results framework. As indicated above, IFC should have also made greater efforts to foresee synergies with the Bank's objectives in the country. On the implementation side, IFC has made a complex post-privatization investment in the energy distribution company and is currently providing transaction advice to the government on a PPP in energy generation. IFC has also made positive efforts to help improve the business environment and enhance competitiveness through advisory work in corporate governance, alternative dispute resolution, and international technical standards, which have not yet achieved full potential.

5. Assessment of CPS Completion Report

48. The CPSCR provides a good discussion of what was achieved with the Bank Group support over the CPS period. It is particularly strong on the contributions of individual Bank lending operations. It does not, however, contain as much about the contribution of the Bank's AAA to program outcomes. Statements in some places seem a bit more positive than is justified by the evidence presented. The discussion on results of IFC's investment and advisory projects both in terms of outputs and outcomes was comprehensive: however, no explanation was provided on anticipated projects that did not materialize (e.g., gas distribution, education).

49. It's most serious shortcoming derives, however, from the inadequacy of the CPS results framework. The most serious defect in this regard is the relative lack of indicators of Bank program outcome achievement, and a lack of integration of IFC's objectives into the results framework. A strong feature of the CPSCR document is its effort to provide such evidence via additional indicators where available, even though not contemplated in the formal results framework. Many of these (e.g., the data on court performance, BEEPs data, data on achievements in streamlining Macedonia's system of intergovernmental finances and decentralization) would have been excellent choices for the results framework.

6. Findings and Lessons

50. IEG concurs broadly with the lessons drawn in the CPSCR, but would underscore three for special attention during implementation of the forthcoming CPS.

51. IEG underscores the CPSCR finding, which is reflected in the design of the new CPS, for greater selectivity going forward. FYR Macedonia is now at the threshold of EU accession, with many challenges that were unresolved in 2007 now addressed and good progress made in improving modalities for development partnership. Because the EU Accession agenda is now considerably narrowed, it should be easier for the Bank Group to move to a more focused support strategy, quite possibly one with an increasing knowledge focus and decreasing finance focus on the IBRD side, and with greater investment opportunity in prospect for IFC. Greater selectivity and a shifting emphasis toward knowledge products would both imply more budget resources (Bank and trust fund) on the IBRD side for Lending Development and AAA type activities. This is because selectivity and advice and assistance in a focused environment require in-depth analysis, which is costly. This program architecture – particularly one heavily weighted to the knowledge side - has proven difficult to sustain under the IBRD's administrative budget allocation systems, which needs to be kept in mind to ensure a balance between administrative resources made available for the country program and the nature of country program objectives and instruments.

52. IEG also underscores the CPSCR's finding concerning the need for better intra-Bank Group coordination and exploitation of latent synergies. The new CPS identifies a number of areas for IBRD-IFC cooperation. In addition to the instruments identified in the CPS for promotion of better integration (e.g., by involving Bank staff in the concept phases of IFC advisory services, and supporting Bank-IFC consultations on key knowledge and analytical activities), the design of the results framework for the strategy as it emerges during implementation preferably should explicitly reflect inputs, outputs and outcomes of both IBRD and IFC activities in an integrated results-based matrix framework.

53. As recognized in the CPSCR, it will be important to elaborate a results framework for the new CPS with monitorable outcome indicators, as distinguished from benchmarks and indicators related to outputs. As noted above, this framework preferably should encompass both IBRD and IFC activities, and be updated frequently as a basis for continuing efforts to keep performance on track. This will allow the World Bank Group to respond flexibly to FYR Macedonia's evolving needs, particularly on the IFC side where investment activity is private-sector demand-driven.

ANNEXES

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Annex Table 1:Planned and Actual Lending, FY07-10

	Proposed FY	Approval FY	Proposed Amount	Approved Amount
<i>Programmed projects</i>				
TTFSE 2	2007	2007	20.0	20.0
PDPL 2	2007	2007	30.0	30.0
Agriculture Strengthening and Accession Project	2007	2007	20.0	20.0
PDPL 3	2008	2008	25.0	25.0
Conditional Cash Transfers Project	2008	2009	25.0	25.0
Urban Development	2009	<i>Dropped</i>	25.0	
Transport (Regional and Local Roads)	2009	2008	25.0	105.2
Energy project (gas, electricity)	2009	<i>Dropped</i>	30.0	
Macedonia DPL 1	2009	2010	20.0	30.0
Additional Financing: Railways Reform	2010	<i>Dropped</i>	15.0	
<i>Total Proarammed orojects CPS FY07-10</i>			<i>235.0</i>	<i>255.2</i>
<i>Non-programmed projects</i>				
Municipal Development		2009		25.0
Additional Financing-Real Estate Cadastre & Registration project		2010		12.1
<i>Totalprojects CPS FY07-10</i>			<i>235.0</i>	<i>292.3</i>

Source: FYR Macedonia FY07-10 CPSICASPR and WB Business Warehouse Table 2a. 1, 2a.4 and 2a.7 as of July 9,2010

Annex Table 2: Planned and Actual Analytical and Advisory Work, FY07-10

	Proposed FY	Delivered to Client FY	Output Type
Economic and Sector Work			
<i>Planned (CPS FY07-10)</i>			
MK PEIR Update	FY07	FY07	Report
Programmatic Poverty Assessment	FY07	FY09	Report
CFAA - CPAR Update	FY07	FY08	Report
Macro Monitoring	FY07-10	<i>Dropped</i>	
Agriculture & EU Accession	FY07	<i>Dropped</i>	
Urban & Municipal Development Study	FY07	FY07	Policy Note
Competitiveness Study	FY07	<i>Dropped</i>	
FSAP Update	FY08	FY08	Report
Employment Study	FY08	FY08	Report
Country Economic Memorandum	FY09	FY09	Report
Trade Logistics Policy Note	FY09	<i>Dropped</i>	
<i>Non-planned</i>			
Programmatic Poverty Work		FY08	Report
Policy Response to the World Crisis		FY09	Policy Note
Technical Assistance			
<i>Planned (CPS FY07-10)</i>			
REPARIS Supervision	FY07-10	FY08	Institutional Development Plan
ENERGY POLICY NOTE	FY09	FY10	Client Document Review
National Energy Strategy Support	FY09	FY09	
Employment / Labour Market Follow up	FY09	FY09	"How-To" Guidance
National Water Strategy Support	FY10	FY10	
<i>Non-planned</i>			
Promoting Carbon Finance in Macedonia	FY07	FY07	Knowledge-Sharing Forum

Source: FYR Macedonia FY07-10 CPSCR and WB Business Warehouse Table ESWITA 8.1.4 as of July 9, 2010.

Annex Table 3a: IEG Project Ratings for Macedonia, FY07-10

Exit FY	Project Name	Total Evaluated (US\$M)	IEG Outcome	IEG Risk to Development Outcome *
2007	IRRIG REHAB	12.4	MODERATELY SATISFACTORY	SIGNIFICANT
2007	CHILD/YOUTH DEVT LIL	2.6	MODERATELY SATISFACTORY	MODERATE
2008	PDPL 2	34.1	SATISFACTORY	MODERATE
2009	PDPL 3	0.0	SATISFACTORY	MODERATE

Source: WB Business Warehouse Table 4a.5 and 4a.6 as of as of July 9, 2010

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 3b: IEG Project Ratings for Macedonia and Comparators, FY07-10

Region	Total Evaluated (\$M)	Total (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower (\$) *	RDO % Moderate Lower (No) *
FYR Macedonia	49.1	4	100.0	100	74.8	75
Albania	93.2	5	90.5	80	10.9	20
Bosnia & Herzegovina	153.9	8	83.5	57	93.1	86
Bulgaria	102.2	3	100.0	100	100.0	100
Romania	326.6	11	100.0	100	84.9	80
ECA	6,389.4	135	88.0	84.8	74.3	69.5
World Bank	36,377.0	585	83.7	76	69.6	63

Source: WB Business Warehouse Table 4a.5 and 4a.6 as of as of July 9, 2010

* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

Annex Table 4: Portfolio Status for FYR Macedonia and Comparators, FY07-10

Fiscal year	FY07	FY08	FY09	FY10
Macedonia				
# Proj	12	13	14	14
# Proj At Risk	0	0	2	3
% At Risk	0.0	0.0	14.3	21.4
Net Comm Amt	182.4	282.6	307.6	319.7
Comm At Risk	0.0	0.0	25.5	41.8
% Commit at Risk	0.0	0.0	8.3	13.1
Albania				
# Proj	18	18	17	14
# Proj At Risk	2	3	3	6
% At Risk	11.1	16.7	17.6	42.9
Net Comm Amt	271.5	310.5	300.5	265.6
Comm At Risk	17.0	59.9	61.6	120.4
% Commit at Risk	6.3	19.3	20.5	45.3
Bosnia				
# Proj	16	14	13	15
# Proj At Risk	1	1	1	2
% At Risk	6.3	7.1	7.7	13.3
Net Comm Amt	300.9	243.4	261.4	434.4
Comm At Risk	10.0	10.0	36.0	29.9
% Commit at Risk	3.3	4.1	13.8	6.9
Bulgaria				
# Proj	9	8	5	4
# Proj At Risk	0	0	0	2
% At Risk	0.0	0.0	0.0	50.0
Net Comm Amt	418.0	383.8	313.5	353.0
Comm At Risk	0.0	0.0	0.0	181.5
% Commit at Risk	0.0	0.0	0.0	51.4
Romania				
# Proj	21	20	16	12
# Proj At Risk	3	3	6	5
% At Risk	14.3	15.0	37.5	41.7
Net Comm Amt	1759.8	1768.4	1548.0	1032.6
Comm At Risk	462.0	217.7	556.4	330.3
% Commit at Risk	26.3	12.3	35.9	32.0
Region				
# Proj	306	303	287	274
# Proj At Risk	27	38	52	50
% At Risk	8.8	12.5	18.1	18.2
Net Comm Amt	16687.4	17966.1	21383.2	24293.1
Comm At Risk	1680.9	2257.0	3460.2	4360.3
% Commit at Risk	10.1	12.6	16.2	17.9

Source: WB Business Warehouse Table 3a.4 as of July 9, 2010

Annex Table 5: IBRD/IDA Net Disbursements and Charges Summary Report for FYR Macedonia

{in US\$ million}

FY	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY2007	15.8	140.1	-124.2	14.6	1.0	-139.9
FY2008	64.6	13.2	51.4	8.6	1.8	41.0
FY2009	49.3	14.1	35.2	10.3	3.4	21.4
FY2010	68.5	18.1	50.4	4.2	3.3	42.9
FY07-10	198.2	185.4	12.8	37.7	9.6	-34.5

Source: WB Loan Kiosk, Net Disbursement and Charges Report as of July 9, 2010

Annex Table 6: FYR Macedonia--otal Net Disbursements of Official Development Assistance and Official Aid, FY05-08 (in US\$ million)

Year	2005	2006	2007	2008
<i>Donor</i>				
All Donors, Total	227.16	205.19	200.86	220.54
DAC Countries, Total	165.41	131.03	134.05	140.98
Multilateral Agencies, Total	54.57	68.48	56.22	65.35
Non-DAC Countries, Total	7.18	5.68	10.59	14.21
G7, Total	92.48	77.01	82.84	84.46
DAC EU Members, Total	88.38	63.88	66.65	72.57
Austria	4.42	4.64	8	3.86
Belgium	0.36	0.11	0.14	0.2
Canada	0.29	0.09	0.24	..
Denmark	0.22	0.18	0.39	..
Finland	0.4	0.3	0.09	0.2
France	3	3.31	3.48	3.75
Germany	28.89	17.21	18.42	24.77
Greece	3.69	1.68	2.06	1.51
Ireland	0.01	0.02	..	0.14
Italy	2.59	7.16	7.34	0.33
Japan	11.27	9.46	20.18	21.39
Luxembourg	0.25	0.07	0.34	0.1
Netherlands	29.7	11.37	8.98	20.17
Norway	12.54	12.42	9.42	6.09
Portugal	0.06			0.01
Spain	0.85	3.82	1.38	4.07
Sweden	11.16	13.38	14.1	11.32
Switzerland	9.27	6.03	6.31	8.85
United Kingdom	2.78	0.63	1.93	2.14
United States	43.66	39.15	31.25	32.08
EC	47.62	58.71	63.23	61.57
Czech Republic	0.35	0.21	0.34	0.39
Hungary		0.02	0.12	0.01
Iceland			0.22	..
Poland	0.06	0.06	0.22	0.2
Slovak Republic	0.17	0.17	0.04	0.39
Turkey	6.57	5.17	9.18	9.86
Arab Countries				
Other Donor Countries, Total	0.03	0.05	0.47	3.36
EBRO	1.28	0.26	0.21	0.08
GEF		5.85		1.1
Global Fund	0.62	3.25	2.13	3.17
IAEA		0.66	0.4	0.95
IBRD				
IDA	5.64	1.78	-4.64	-5.85
IDB Spec. Fund				
IFAD	3.16	2.75	0.68	..
IFC				
IMF Trust Fund				
IMF (SAF,ESAF,PRGF)	-8.06	-8.53	-10.45	..
UNAIDS	0.08	0.09	0.03	0.04
UNDP	1.24	1.24	0.95	0.83
UNFPA		0	0.13	0.16
UNHCR	1	0.82	2.03	1.68
UNICEF	1.07	0.56	0.81	0.66
UNRWA				
UNTA	0.92	1.04	0.71	0.96
WFP				

data extracted on 09 Jul 2010 13:45 UTC (GMT) from OECD.Stat

Annex Table 7: Economic and Social Indicators for FYR Macedonia and Comparators, FY05-08

Series Name	FYR Macedonia					FYR Macedonia	Albania	Bosnia & Herzegovina	Ukraine	Romania	Europe & Central Asia	World
	FY05	FY06	FY07	FY08	FY09	Average FY05-08						
Growth and Inflation												
GDP growth (annual %)	4.1	4.0	5.9	5.0	..	4.7	5.6	5.9	6.3	6.9	6.3	3.2
GDP per capita growth (annual%)	3.9	3.8	5.8	4.9	..	4.6	5.2	5.9	6.8	7.1	6.2	2.0
GNI per capita, PPP (current international\$)	7120.0	7720.0	8490.0	9250.0	..	8145.0	6662.5	7142.5	9862.5	10860.0	10565.0	9608.2
GNI per capita, AUas method (current US\$)	2840.0	3110.0	3470.0	4130.0	..	3387.5	3202.5	3665.0	4335.0	5875.0	5563.0	7829.8
Inflation, consumer prices (annual %)	0.2	3.3	3.6	7.2	..	3.6	2.8	..	8.3	7.1	..	..
Composition of GDP (%)												
Agriculture, value added (% of GDP)	12.8	12.6	11.0	10.9	..	11.8	21.7	10.0	7.9	9.1	7.3	3.0
Industry, value added (% of GDP)	29.6	30.1	32.6	34.0	..	31.6	20.3	26.4	30.8	33.2	33.2	27.9
Services, etc., value added (% of GDP)	57.6	57.3	56.4	55.1	..	56.6	58.0	63.6	61.3	57.6	59.5	69.0
Gross fixed capital formation (% of GDP)	17.0	18.2	20.2	23.9	..	19.8	27.8	22.1	28.3	26.6	21.7	21.6
Gross domestic savings (% of GDP)	3.5	3.3	5.4	1.7	..	3.5	1.9	-12.2	13.8	16.2	23.7	22.1
External Accounts												
Exports of goods and services (% of GDP)	45.5	48.1	53.4	52.6	..	49.9	26.7	36.3	62.2	30.8	34.4	28.1
Imports of goods and services (% of GDP)	62.8	66.8	72.3	78.6	..	70.1	52.6	71.0	82.1	41.3	34.2	28.2
Current account balance (% of GDP)	-2.7	-0.9	-3.1	-12.7	..	-4.9	-10.1	-12.6	-20.4	-11.1	..	..
External debt stocks (% of GNI)	52.1	51.8	54.5	49.6	..	52.0	24.2	53.2	72.9	47.5	38.1	..
Total debt service (% of GNI)	4.8	8.9	9.1	5.1	..	6.9	1.3	2.6	11.2	7.6	7.5	..
Total reserves in months of imports	4.2	5.1	4.5	3.2	..	4.3	4.3	4.1	5.0	5.5	9.3	10.0
Fiscal Accounts ¹¹												
Revenue and Grants (% of GDP)	35.2	32.9	34.3	33.5	31.4	33.5						
Total Expenditure (and net lending, % of GDP)	35.3	33.4	33.7	34.5	34.3	34.2						
Central Government Balance (% of GDP)	0.3	-0.5	0.6	-1.0	-2.8	-0.7						
Public Sector Gross Debt (% of GDP)	39.5	35.4	26.1	24.5	27.3	30.6						
Social Indicators												
Health												
Life expectancy at birth, total (years)	73.8	73.9	74.1	74.2	..	74.0	76.4	74.9	72.9	72.8	69.5	68.6
Immunization, DPT (% of children ages 12-23 months)	97.0	93.0	95.0	95.0	..	95.0	98.0	91.5	95.3	..	95.3	80.9
Improved sanitation facilities (% of population with access)	..	89.0	..	..	..	89.0	97.0	95.0	99.0	72.0	88.7	60.0
Improved water source (% of population with access)	..	100.0	..	..	..	100.0	97.0	99.0	99.0	88.0	95.0	86.2
Mortality rate, infant (per 1,000 live births)	12.6	11.8	11.1	10.5	..	11.5	13.8	13.0	9.9	13.1	21.0	47.5
Population												
Population, total (in million)	2.0	2.0	2.0	2.0	..	2.0	3.1	3.8	7.7	21.6	441.8	6,582
Population growth (annual%)	0.2	0.1	0.1	0.1	..	0.1	0.36	-0.06	-0.51	.20	0.16	1.2
Urban population (% of total)	65.4	65.9	66.4	66.9	..	66.2	45.76	46.57	70.65	53.97	63.60	49.3
Education												
School enrollment, preprimary (% gross)	32.4	34.7	38.5	..	..	35.2	..	11.0	81.4	72.7	52.3	43.2
School enrollment, primary (% gross)	95.9	93.9	92.8	..	..	94.2	..	111.0 ¹	100.9	105.0	98.2	105.5
School enrollment, secondary (% gross)	84.2	..	84.2	..	..	84.2	..	89.1	104.9	86.3	88.7	..

¹¹/IMF, FYR Macedonia: Article IV 2009 & 2010

Source: WB World Development Indicators (July, 2010) for all indicators excluding those noted.

Annex Table 8: FYR Macedonia - Millennium Development Goals

	1990	1995	2000	2009
Goal 1: Eradicate extreme poverty and hunger				
Employment to population ratio, 15+, total (%)	37	36	35	35
Employment to population ratio, ages 15-24, total (%)	17	19	16	13
Income share held by lowest 20%			6.7	
Malnutrition prevalence, weight for age (% of children under 5)			1.9	
Poverty headcount ratio at national poverty line (% of population)		..	1	
Prevalence of undernourishment (% of population)			3	
Vulnerable employment, total (% of total employment)	5	5	5	
Goal 2: Achieve universal primary education				
Literacy rate, youth female (% of females ages 15-24)			21	22
Literacy rate, youth male (% of males ages 15-24)		99	98	99
Persistence to last grade of primary, total (% of cohort)		99	99	99
Primary completion rate, total (% of relevant age group)			97	
Total enrollment, primary (% net)		97	100	92
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliament (%)			98	92
Ratio of female to male enrollments in tertiary education		3	8	28
Ratio of female to male primary enrollment		100	99	100
Ratio of female to male secondary enrollment			97	98
Ratio of young literate females to males (% ages 15-24)			128	127
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	38.3	38.5	41.6	42.4
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)		97	97	98
Mortality rate, infant (per 1,000 live births)	32	23	17	10
Mortality rate, under-5 (per 1,000)	36	26	19	11
Goal 5: Improve maternal health				
Adolescent fertility rate (births per 1,000 women ages 15-19)			30	20
Births attended by skilled health staff (% of total)				
Contraceptive prevalence (% of women ages 15-49)				
Maternal mortality ratio (modeled estimate, per 100,000 live births)				
Pregnant women receiving prenatal care (%)		100	81	
Unmet need for contraception (% of married women ages 15-49)				
Goal 6: Combat HIV/AIDS, malaria, and other diseases				
Children with fever receiving antimalarial drugs (% of children under age 5 with fever)				
Condom use, population ages 15-24, female (% of females ages 15-24)				
Condom use, population ages 15-24, male (% of males ages 15-24)				
Incidence of tuberculosis (per 100,000 people)	81	58	41	24
Prevalence of HIV, female (% ages 15-24)				
Prevalence of HIV, total (% of population ages 15-49)				
Tuberculosis cases detected under DOTS (%)				0.1
Goal 7: Ensure environmental sustainability				
Annual freshwater withdrawals, total (% of internal resources)		72	52	98
CO2 emissions (kg per PPP \$ of GDP)	1.1	1.1	1	
CO2 emissions (metric tons per capita)	5.6	5.5	6	
Forest area (% of land area)	36	36	36	36
Improved sanitation facilities (% of population with access)			88	
Improved water source (% of population with access)			100	
Marine protected areas, (% of surface area)				
Nationally protected areas (% of total land area)				
Goal 8: Develop a global partnership for development				
Aid per capita (current US\$)		4	5	3
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	0	0	2.5	41.5
Internet users (per 100 people)	0	0	6	123
Mobile phone subscribers (per 100 people)		40	125	108
Telephone mainlines (per 100 people)	15	18	25	22
Other				
Fertility rate, total (births per woman)	2.1	1.9	1.7	1.4
GNI per capita, Atlas method (current US\$)	1650	1710	1840	4130
GNI, Atlas method (current US\$) (billions)	3.2	3.4	3.7	8.4
Gross capital formation (% of GDP)	18.7	20.8	22.3	27.7
Life expectancy at birth, total (years)	71	72	73	74
Literacy rate, adult total (% of people ages 15 and above)		94	96	97
Population, total (millions)	1.9	2	2	2
Trade (% of GDP)	61.7	75.8	112.2	131.1

Source: World Development Indicators database as of July, 2010.

Annex Table 9: List of IFC's investments in Macedonia that were active during FY07-FY10 (US\$'000)

Project ID	Project Short Name	Approval FY	Closure FY	Project Status	IFC Sector Group	Greenfield /Existing Project	Project Size	Net Loans	Net Equity	Total Net Commitment
Investments approved in the pre-CPS period, but active during the CAS period:										
008173	SEF Masinomont	1997		Active	Industrial	E	1,746	802	0	802
007488	Stopanska Banka	1998		Active	Finance	G	70,000	428	5,349	5,776
008972	Macedonia Teleco	1998		Active	Infrastructure	E	75,000	25,000	0	25,000
009378	SEAF Macedonia	1999		Active	Funds	G	12,500	0	1,780	1,780
010050	Stoanska BankaB	2000		Active	Finance	E	30,000	0	4,097	4,097
010123	Komercialna	2001	2007	Closed	Finance	G	5,000	3,059	0	3,059
010963	Stoanska RI	2001		Active	Finance	E	5,000	0	474	474
010627	Teteks 2	2002	2009	Closed	Textiles	E	10,400	5,165	0	5,165
011668	Stoanska RI II	2003		Active	Finance	E	17,000	0	1,718	1,718
011692	MFB Macedonia	2003	2008	Closed	Finance	G	5,000	0	1,019	1,019
Subtotal							231,646	34,453	14,437	48,889
Investments approved in the CPS period:										
026093	ESM Macedonia	2008		Active	Infrastructure	G	173,655	55,326	0	55,326
029104	Tutunska BK Loan	2010		Active	Finance	G	35,995	33,966	0	33,966
Subtotal							209,650	89,293	0	89,293
Grand Total							441,296	123,745	14,437	138,182

Source: IFC, May 2010

Note: The list does not cover the regional projects.

Annex Table 10: List of IFC's Advisory Services in Macedonia, FY07-FY10 (US\$)

Project ID	Project Name	Start FY	End FY	Project Status	Primary Business Line	Total Funding
AS operations approved in the pre-CPS period but active during the CPS period:						
541343	Corporate Governance Project in FYR Macedonia	2006	2009	Closed	Corporate Advice	694,980
543066	Int Tech StdReoMK	2006	2009	Closed	Corporate Advice	392,500
543085	Recyclina PEPSE Macedonia	2006	2009	Closed	Environment and Social Sustainability	530,500
543428	ADR PEPSE MK	2006	2009	Closed	Investment Climate	563,350
Subtotal						2,181,330
AS operations approved in the CPS period:						
555365	Macedonia FYR Regulatory Reform	2007	2009	Closed	Investment Climate	75,000
563667	ADR Macedonia Phase II	2009	2011	Active	Investment Climate	412,000
564809	Integrated Solid Waste Management-Macedonia	2009	2011	Active	Infrastructure	535,541
565427	ISTR MK Extension	2009	2011	Active	Corporate Advice	292,049
567047	CoroGovMAC-11	2009	2011	Active	Corporate Advice	347,600
29202	Macedonia HPP	2010	2011	Active	Infrastructure	543,807
Subtotal						2,205,997
Grand Total						4,387,327

Source: IFC TAAS as of April 2010

Annex Table 11: Macedonia –Doing Business Rank 2010

Rank by	Macedonia 2010	Macedonia 2009	Albania	Moldova	Bosnia and Herzegovina
Ease of Doing Business	32	69	82	94	116
Starting a Business	6	13	46	77	160
Dealing with Construction Permits	137	151	173	161	136
Employing Workers	58	122	105	141	111
Registering Property	63	88	70	17	139
Getting Credit	43	41	15	87	61
Protecting Investors	20	88	15	109	93
Paying Taxes	26	28	138	101	128
Trading Across Borders	62	63	66	140	63
Enforcing Contracts	64	62	91	22	124
Closing a Business	115	131	183	90	63

Source: *Doing Business Report 2010*

Note: A high ranking on the ease of doing business index means the regulatory environment is conducive to the operation of business.

Annex Table 12: Macedonia –Country Risk Rating

Country/ Region	2003	2004	2005	2006	2007	2008	2009
Macedonia	23.7	26.8	31.0	37.5	40.7	45.2	43.0
Albania	16.4	21.3	24.7	25.3	32.2	34.5	35.9
Bosnia & Herzegovina	26.0	25.2	27.5	28.6	30.7	32.9	31.6
Moldova	18.1	20.0	17.5	21.1	21.9	24.8	24.9
S. Europe Central Asia	27.2	30.4	33.6	36.1	38.7	40.9	39.0

Source: *Institutional Investor Country Credit Risk, September 2009*

Note: 30 or less: High risk; 45 or above: Low risk

Annex Table 13: Summary of Achievements of the FYR Macedonia CPS Objectives

CPS FY07-10: Cluster 1			
Growth & Competitiveness			
	Target Outcome Indicators	Actual Results (as of July 2010)	Comments
Major Outcome / Intermediate Outcome Measures	Cluster 1: Growth & Competitiveness		
	1. Labor Market: Increase flexibility of labor market and decrease tax wedge		
	Revision of labor laws to introduce greater Progress flexibility in labor contracts	The revised labor law promulgated in 2008 introduced greater flexibility in labor contracts	Good
	Reduce the wedge created by the labor tax between the amount paid by the firms and what workers receive from a 2006 baseline of 34.5 percent of gross wage for average workers and from 42 percent of gross wage for workers earning 50 percent of the average wage (including fringe benefits)	The labor tax wedge was reduced to 32 percent (30 percent) of gross wage for average (50 percent of average) wage earner, including fringe benefits.	Good Progress
	2. Land Administration System: Establish efficient land administration system		
	90 percent of real estate cadastre established (by 2009)	Real estate cadastre established in 98 percent of the country	Good Progress
	90 percent of cadastre offices have 3-0-day sale registration times	90 percent of offices in the country have reduced the time to register a sale transaction to 5 days or less	Some Progress
	Four land policy studies were adopted: (i) access to land for investments; (ii) security of land tenure; (iii) land market; and (iv) state land management (pilot project Strumica).	Achieved	Good Progress
	3. Agricultural Capabilities: Improve institutional capacity of Agriculture sector		
	Ministry of Agriculture is able to disburse and track use of all Government subsidies and rural development funds through Instrument for Pre-Accession for Rural Development (IPARD)-compatible payment agency (by July 2010)	In 2009, the European Commission conferred the right to manage the funds from the EU Instrument for Pre-Accession Assistance in the area of the rural development (IPA Fifth Component -IPARD) to the Macedonian operative structure assigned for IPARD	Good Progress
All seven water economies (districts) initiate collection of water user fees (by December 2009)	Four water economies (districts) have started with collection of water user fees before Dec 2009, one has started at the beginning of 2010, and two have not started yet.	Some Progress	
Ongoing pre CPS FY07-10 Support	Business Environment Reform and Institutional Strengthening project (BERIS) (P079552)	Approved FY05. Active.	Latest PDO rating: Moderately Unsatisfactory (3/31/2010).
	Real Estate Cadastre and Registration Project (P083126)	Approved FY05. Active.	Latest PDO rating: Highly Satisfactory (6/20/2010).
	Programmatic Development Policy Loan (P090303)	Approved FY06. Closed	IEG Outcome Rating- Satisfactory

CPS FY07-10: Cluster 1 Growth & Competitiveness			
	Target Outcome Indicators	Actual Results (as of July 2010)	Comments
<u>New Lending Support</u>	Agriculture Strengthening and Accession Project	Approved FY07.Active	Latest PDO rating: Satisfactory (03/25/2010) .
	Second Programmatic Development Policy Loan	Approved FY07.Closed	IEG Outcome Rating-Satisfactory
	Third Programmatic Development Policy Loan	Approved FY08.Closed	IEG Outcome Rating-Satisfactory
	Additional Financing-Real Estate Cadastre & Registration project	Approved FY10.Active	Latest PDO rating: Highly Satisfactory (6/20/2010) . (From the Mother project)
<u>Planned AAA</u>	World Bank Analytic and Advisory Services:		
	Employment Study	Delivered FY08.	
	Employment / Labor Market TA	Delivered FY09.	
	Country Economic Memorandum	Delivered FY09.	
	FSAP Update	Delivered FY08.	
	Country Fiduciary Assessment .	Delivered FY08.	
	Public Expenditure Review Update	Delivered FY07.	
	Road to Europe- Program of Accounting Reform and Institutional Strengthening (REPARIS)	Delivered FY07.	
	Land Policy Note	Dropped	
	IDF Public Accountina	Delivered FY08.	
	IFC Advisorv Services:		
	International technical standards Phase I	Delivered FY06-09.	Project Completion Report (PCR) Development Effectiveness (DE) rating: Successful
	International technical standards Phase II	Active	

CPS FY07-10: Cluster 2 Business Environment			
	Target Outcome Indicators	Actual Results (as of June 2010)	Comments
Major Outcome /Intermediate Outcome Measures	Cluster 2: Business Environment		
	<u>1. Regulatory Reform: Reduce the burden of regulation on businesses</u>		
	Regulatory Impact Assessment is systematically used for all new legislation	Regulatory Impact Assessment is systematically used for all new legislation considered by the Government (except legislation proposed under urgent procedure) after January 1, 2009	Good Progress
	Improve business environment as measured by WB <i>Doing Business</i> report	Time required to start a business fell from 18 days in 2007 to 4 days in 2010 Number of procedures needed to start a business fell from 10 days in 2007 to 4 days in 2010	Good Progress Source- Doing Business website
	Regulations eliminated or amended by the regulatory guillotine; first round of guillotine is fully implemented (64 laws and 481 bylaws eliminated or amended), and at least one more round initiated by December 2009	In the first round of the guillotine, the Government identified 64 Laws and 481 by-laws which were supposed to be amended or eliminated, which it then translated into 5 packages of measures. By September 2009, the Parliamentary procedure for amending 39 of the 64 laws was completed. At the same time, 382 of 481 by-laws had been abolished or amended through Ministerial decrees. The second phase of the "guillotine" is underway.	Some Progress
	Decrease in regulatory compliance costs measured by senior management time spent on compliance with regulatory requirements Business Environment and Enterprise Performance Survey (BEEPS)	According to the 2008 BEEPS, the percentage of senior management's time spent on dealing with public officials/services increased from 11 percent in 2005 to 17 percent in 2008.	No Progress
	Unique national electronic registry containing all legal acts in force is fully functional by December 2009	Unique national electronic registry containing all legal acts in force is fully functional from December 2009	Good Progress
	<u>2. Judicial Reform: Increase efficiency of judicial system and improve courthouse infrastructure</u>		
	25 percent increase in client satisfaction with court operations from 2007 to end-2009 as assessed through court users survey	Delayed The initial Court User Survey was conducted in Sep-Oct 2009. 45.7 percent of court users were "very satisfied" or "fairly satisfied" by the outcome of their court visit or case. The final Court Users Survey is planned towards the end of the project, which is July 2011.	Unknown Progress
	Eight out of ten court facilities renovated (by end 2009)	Nine renovations complete	Good Progress
New court information system is introduced (by end 2009)	The new Automated Court Case Management Information System has been introduced. The Operations Acceptance Certificate was received on June 29.	Good Progress	

CPS FY07-10: Cluster 2 Business Environment			
	Target Outcome Indicators	Actual Results (as of June 2010)	Comments
Ongoing i:ire CPS FY07-10 Sui;ii;ort	Legal & Judicial Implementation & Institutional Support Project (P089859)	Approved FY06.Active.	Latest PDO rating: Moderately Satisfactory (12/01/2009).
	Business Environment Reform and Institutional Strengthening project (BERIS) (P079552)	Approved FY05.Active.	Latest PDO rating: Moderately Unsatisfactory (3/31/2010).
	Programmatic Development Policy Loan (P090303)	Approved FY06.Closed	IEG Outcome Rating-Satisfactory
New ending Sui;ii;ort	Second Programmatic Development Policy Loan	Approved FY07. Closed	IEG Outcome Rating-Satisfactory
	Third Programmatic Development Policy Loan	Approved FY08. Closed	IEG Outcome Rating-Satisfactory
	IFC Tutunsk Bank Loan	Approved FY10. Active	Latest DOTS rating: Not rated
Planned AAA	World Bank Analytic and Advisory Services:		
	Employment Study	Delivered FY08.	
	Emolovment /Labor Market TA	Delivered FY09.	
	Country Economic Memorandum .	Delivered FY09.	
	Policy Resoonse to the World Crisis	Delivered FY09.	
	FSAP Update	Delivered FY08.	
	Country Fiduciary Assessment	Delivered FY08.	
	Public Expenditure Review Update	Delivered FY07.	
	REPARIS	Delivered FY07.	
	IFC Advisorv Services:		
	Corporal Governance Phase I	Delivered FY06-09.	PCR DE rating: Mostly Successful
	Alternative Dispute Resolution Phase I	Delivered FY06-09.	PCR DE rating: Mostly Successful
	Regulatory Reforms	Delivered FY0?-09.	PCR DE rating: Not applicable. This was a bridge-financing operation for a follow-on program.
Coroorate Governance Phase II	Active		
Alternative Disoute Resolution Phase II	Active		
Additional AAA	Land Policy Note	Dropped	
	IDF Public Accountino	Delivered FY08.	

CPS FY07-10: Cluster 3 Human Development			
	Target Outcome Indicators	Actual Results (as of June 2010)	Comments
Major Outcome /Intermediate Outcome Measures	Cluster 3. Human Development		
	<u>1. Education: Improve school infrastructure and quality of education in basic and secondary education</u>		
	All 427 primary and secondary schools have improved their basic infrastructure, including teaching aids through school grants program. 150 rural primary schools will receive additional infrastructure support and teacher training.	Achieved The second round of School Improvement Grants (through which the additional infrastructure support and teacher training was provided) was extended to 264 primary schools, of which 150 are in rural areas. Of this assistance, the teacher training has been fully delivered, the infrastructure works are in their final phase, and teaching aids will be delivered to the schools with the start of the school year in September.	Good Progress The secondary enrollment rate increased to 95 percent from 85 percent, and dropout rates decreased to 1.9 percent from 2.1 percent between 2004 and 2008. However, there is no information on indicators on quality of education.
	National education management information system established and baseline data available (by June 2010)	National education management information system is not yet fully functional. The hardware is procured and installed, the software developed, installed and in a testing phase, and there is a massive training program of end-users being implemented.	Limited Progress
	<u>2. Health: Improve efficiency and transparency of Health Insurance Fund operations and institutional and management capacity of Ministry of Health</u>		
	Transparent financial management expenditure control and performance indicators for all hospitals established	Transparent financial management expenditure control and performance indicators for all hospitals has been established, but the system is still being challenged by unsound financial spending patterns	Limited Progress
	Implementation of DRG (diagnosis-related groups) payment system for hospitals with 20 percent share of the hospital budgets (by December 2009)	Achieved	Good Progress Most recently, the authorities introduced Diagnosis Related Groups (DRGs) in measuring performance and financing health service, (though only 20 percent of the Health Care Institution's budget is actually tied to DRG) which is a major change in the way hospitals are reimbursed. Source- PDPLI ICR
	Reference pricing for most important drugs in place (by December 2009)	The target was to introduce the reference pricing, which Macedonia did not have before. Reference pricing for drugs reimbursable by the Health Insurance Fund are in place	Good Progress
<u>3. Social Protection: Improved administration and targeting of cash benefits and strengthened and sustainable pension</u>			
Integrated management and information system covering all cash benefit programs including	Delayed	Limited Progress <i>Development of the Management Information System (MIS) for Cash Benefits modules critical for the CCT program. The teams discussed at length</i>	

CPS FY07-10: Cluster 3			
Human Development			
	Target Outcome Indicators	Actual Results las of June 20101	Comments
	database of all beneficiaries established and operational (by June 2009)		the development of the software modules for cash benefits and concluded that none of the modules has been developed well enough to be ready for testing. As this implies that the software development is critically delayed... Source- AM, March 2010
	First CCT program in education designed and introduced (by September 2009)	Delayed	Limited Progress Critical modules not developed yet Source- AM, March 2010
	Framework developed to allow for further consolidation of cash benefits (2010)	Achieved	Good Progress
	Voluntary pension system introduced (by mid-2009)	Voluntary pension system was fully introduced and activated by mid-2009.	Good Progress
Ongoing 11re CPS FY07-10	Programmatic Development Policy Loan (P090303)	Approved FY06. Closed	IEG Outcome Rating- Satisfactory
	Education Modernization P066157\	Approved FY04. Active.	Latest PDQ rating: Moderately Satisfactory (11/29/2009).
	Health Sector Management P086670\	Approved FY04. Active.	Latest PDO rating: Satisfactory(02/17/2010)
	Social Protection Implementation Loan P074358\	Approved FY04. Active.	Latest PDO rating: Moderately Satisfactory (05/18/2010)
New Lending	Conditional Cash Transfers Project	Approved FY09.Active	Latest PDQ rating: Satisfactory (04/30/2010).
	Second Programmatic Development Policy Loan	Approved FY07. Closed	IEG Outcome Rating- Satisfactory
	Third Programmatic Development Policy Loan	Approved FY08. Closed	IEG Outcome Rating- Satisfactory
Planned AAA	Programmatic Poverty Assessment	Delivered FY09	
	Programmatic Poverty Work	Delivered FY08	
	Social Inclusion Assessment	Dropped	
	Transport Sector study	Dropped	
Additional AAA	Promoting Carbon Finance in Macedonia TA	Delivered FY07	

CPSFY07-10: Cluster 4 Infrastructure and Energy			
	Target Outcome Indicators	Actual Results (as of June 2010)	Comments
Major Outcome /Intermediate Outcome Measures	Cluster 4. Infrastructure and Energy		
	1. Transport: Improve road and rail infrastructure and management capacity		
	50 percent of the construction of the Tabanovce-Kumanovo highway completed by December 2009	50 percent of the construction of the Tabanovce-Kumanovo highway has completed	Good Progress
	Agency for State Roads is adequately managing and implementing road investments as confirmed by regular technical audits	The first set of technical audits is expected to take place July/August.	Limited Progress
	The successors of Macedonian Railways reduced operating losses as indicated by a drop in working ratios (without subsidy) from 100 percent in 2005 to 80 percent at end-2009.	The working ratios (without state support) is less than 92.6 percent at end-2009	Some Progress Improvement in 2008 to 64.2 percent reflects good economic situation with high traffic offering whilst deterioration in 2009 due global economic crisis which has adversely affected Macedonia Rail-Transports performance in this regard. Action plan agreed with government should contribute to correcting the trend. Source- /SR for Railways Reform project (5119/2010)
	140 km of regional and 75 km of local roads improved (by December 2009)	The rehabilitation of three of the regional roads has been completed.	Some Progress Contract for all 330 km under execution of which 72 km completed and others for completion between end May and autumn 2010. Contracts have been awarded for 216km of local roads (more than 60 Local roads) via three tender rounds. Source- Aide Memoire June 2010 team visit.
	Significant decrease in freight train processing time at border stations on Corridor X (baseline: 450 minutes in 2007)	Not Achieved	No Progress
	2. Energy: Improve efficiency and sustainability of the energy sector		
	Government adopts sound medium term energy strategy (by September 2009)	Government adopted a medium term energy strategy in April 2010.	Good Progress
	Regulatory and incentive framework for renewable energy introduced (by September 2009)	Privileged feed-in tariffs for all producers of renewable energy have been adopted in 2008.	Good Progress
	At least 10 MW of new renewable energy capacity under construction by September 2009	Not achieved.	No Progress
	At least 5 energy efficiency projects under implementation by September 2009	There are no GEF-financed energy efficiency projects under implementation and the GEF-financed operation is undergoing a major reconstruction	No Progress
	The 2009 ECSEE (Energy Community of South East Europe) report assesses Macedonia's performance as satisfactory	Achieved.	Good Progress
	3. Municipal Services: Improve local services and infrastructure in selected municipalities		
	Implementation of first municipal infrastructure and services improvement	The Ministry of Finance and the Municipality of Kocani signed	Good Progress

CPS FY07-10: Cluster 4 Infrastructure and Energy			
	Target Outcome Indicators	Actual Results (as of June 2010)	Comments
	projects financed through Government on-lending launched (by December 2009)	the contract in December 2009. Implementation began in January 2010.	
	National strategy to strengthen communal services enterprises in place (by December 2009)	Strategy was not adopted	No Progress
Ongoing Rre CPS FY07-10 SURRQt	ECSEE (Energy Community of South East Europe) APL 3 (P082337)	Approved FY06. Active.	Latest PDO rating: Moderately Satisfactory (06/27/2010).
	Railways Reform (P083499)	Approved FY06. Active.	Latest PDO rating: Satisfactory (5/19/2010).
New Lending	Trade & Transport Facilitation in South East Europe 2	Approved FY07. Active	Latest PDO rating: Moderately Satisfactory (05/13/2010).
	Transport (Regional and Local Roads)	Approved FY08. Active	Latest PDO rating: Moderately Satisfactory (5/05/2010).
	Municipal Development	Approved FY09. Active	Latest PDO rating: Moderately Satisfactory (06/27/2010).
	Urban Development	Droood	
	Energy project (gas, electricity)	Droood	
	IFC <i>Elektrostanstvo na Makedonia-ESM</i> Macedonia	Approved FY08. Active	Latest DOTS rating: Too early to tell
Planned AAA	World Bank Analytic and Advisory Services:		
	Energy Sector Policy Dialogue	Delivered FY09	
	Urban & Municipal Development Study	Delivered FY07	
	TA in support of National Water Strategy	Delivered FY10	
	Competitiveness Study	Droood	
	Transport Sector study	Dropped	
	IFC Advisory Services:		
	Recycling	Delivered FY06-09.	IEG DE rating: Successful
	Integrated Waste Management Macedonia HPPs	Approved FY09. Active	
	Approved FY10. Active		
Additional AAA	Promoting Carbon Finance in Macedonia TA	Delivered FY07	