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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF THE
SECOND TRADE AND TRANSPORT FACILITATION PROJECT
(LOAN 48590-MK)

MAY 29, 2007

TO
MACEDONIA, FORMER YUGOSLAV REPUBLIC

March 15, 2012

CURRENCY EQUIVALENTS
(Exchange Rate Effective March 14, 2012)

Currency Unit = Denar (MKD)
US\$1.00 = 46.98 MKD
EUR1.00 = US\$1.302

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ASR	Agency for State Roads
BCP	Border Crossing Point
MOF	Ministry of Finance
MOTC	Ministry of Transport and Communications
MCA	Macedonian Customs Administration
TTFSE	Trade and Transport Facilitation in Southeast Europe

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MACEDONIA, FORMER YUGOSLAV REPUBLIC
SECOND TRADE AND TRANSPORT FACILITATION PROJECT
(P091723)
(LOAN 48590-MK)

Restructuring Paper

1. The Government, through the Ministry of Finance, has requested an extension of the closing date for the **Second Trade and Transport Facilitation Project** (IBRD Loan 48590-MK), from March 31, 2012 until June 30, 2012. The proposed extension is necessary to allow additional time for civil works to be completed under one of the project components.

2. The project objectives continue to be achievable, with noteworthy results and positive outcomes already achieved. The Project has been rated Moderately Satisfactory for the last 12 months for progress towards achieving the Development Objective and for Implementation Progress. Overall, project implementation is progressing well under all components, with the exception of the physical investment under Component 2, related to the modernization of the Blace border crossing for passengers, which is behind the original schedule. All project funds have been disbursed, the remaining balance in the Designated Account is EUR 1,065,214.36. Financial management performance is satisfactory, and there are no overdue audits. Financial covenants have been complied with.

3. As of end December 2011, physical progress at the Blace border crossing was at 97 percent. Since then, adverse weather conditions have halted the completion of the remaining construction. The implementing entities, the Macedonia Customs Administration (MCA) and the Agency for State Roads (ASR) are confident that the remaining project activities will be completed in a satisfactory manner, allowing the project development objective to be fully met within the proposed extended time period.

4. This will be the second extension of the project. A revised implementation plan has been agreed with the Macedonia Customs Administration. It is planned that civil works will now be completed by end April 2012 ahead of the proposed new closing date in June 2012, allowing sufficient time for completion of all administrative procedures related to contract completion and for the measurements of border crossing time.