



DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MAINSTREAMING SUSTAINABLE CATTLE RANCHING
APPROVED ON MARCH 16, 2010
TO
COLOMBIAN CATTLE RANCHING ASSOCIATION (FEDEGAN)

AGRICULTURE

LATIN AMERICA AND CARIBBEAN

Regional Vice President:	Axel van Trotsenburg
Country Director:	Ulrich Zachau
Senior Global Practice Director:	Juergen Voegelé
Practice Manager/Manager:	Preeti S. Ahuja
Task Team Leader:	Luz Berania Diaz Rios

**I. BASIC DATA****Product Information**

Project ID P104687	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 16-Mar-2010	Current Closing Date 31-Jan-2020

Organizations

Borrower Colombian Cattle Ranching Association (FEDEGAN)	Responsible Agency Colombian Cattle Ranching Association (FEDEGAN)
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Project Development Objective (PDO)

Original PDO

The Project's Global Environment Objective is to promote the adoption of environment-friendly Silvopastoral Production Systems for cattle ranching in Colombia's Project areas, to improve natural resource management, enhance the provision of environmental services (biodiversity, land, carbon, and water), and raise the productivity in participating farms.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-17041	05-Sep-2014	05-Sep-2014	05-Dec-2014	31-Jan-2020	20.70	18.34	2.36
TF-96465	06-Apr-2010	06-Apr-2010	02-Jul-2010	31-Jan-2018	7.00	7.00	0

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

The Colombia Mainstreaming Sustainable Cattle Ranching Project (P104687) has continued to display a strong performance. Progress towards achievement of PDO and Overall Implementation Progress (IP) have been consistently rated as Satisfactory in the last two Implementation Status and Results Reports (ISRs) . The US\$7 million grant (TF096465) by the Global Environment Facility (GEF) has been fully disbursed and executed, and disbursement of the US\$20.7 million grant (TF017041) by the UK Department of Business, Energy and Industrial Strategy (BEIS) has achieved 88.6 percent. The external auditing reports performed for both grants have been found acceptable to the Bank. The Project has no unresolved fiduciary, environmental, social or legal safeguard issues. An extension of the Project's closing date was approved by the Bank in January 2018, current closing date is January 31, 2020.

This restructuring seeks to reallocate UK/BEIS grant (TF017041) proceeds among budget categories, to support expenses for payments to cattle ranchers for land used changes towards sustainable cattle ranching practices under the Natural Resource Payment Scheme (so called PES1-Biodiversity Scheme), as well as to cover for consultant services and operational expenses resulting from additional support to farmers during the Project's extension phase.

The restructuring proposes to reallocate: US\$276,808 to Category 1a (Contract Payments for Natural Resources PES); US\$ 461,334 to Category 3 Consultants' Services; and US\$59,146 to Category Operating Costs. The funds will be reallocated from deductions in the Categories: 1b Contract Payments for Carbon Sequestration PES (so called PES2-Carbon Scheme); Goods; and Non-consulting services & Training.

The reallocated funds will cover the payments to farmers benefiting from PES1 Biodiversity Scheme, which has displayed very dynamic rates of land conversion, corresponding to 65 percent of the non-intensive silvopastoral systems implemented by the Project. On the other hand, the land conversion towards intensive silvopastoral systems suffered delays at the start which were aggravated by the impacts of climate events on established systems, therefore, expost payments to farmers under PES2-Carbon scheme (Category 1B Contracts PES2-Carbon) will be lower than expected. Furthermore, the two-year extension of the Project and a larger number of farmers engaged in the fourth call for beneficiary engagement has brought additional costs in the provision of technical assistance to farmers, including those associated with the hiring of regional teams.

II. DETAILED CHANGES

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Ln/Cr/TF	Current Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Disbursement % (Type Total)		
						Current	Proposed



The World Bank

Mainstreaming Sustainable Cattle Ranching (P104687)

TF-17041-001 Currency: USD	Contract Pymnt Nat. Resources PES	833,192.00	685,096.71	1,110,000.00	100.00	100.00
	Contract Pymnt Carbon Sequest. PES	612,000.00	0.00	248,140.00	100.00	100.00
	Goods	2,445,461.00	1,931,204.85	2,304,924.00	100.00	100.00
	Consultants' Services	9,622,336.00	6,761,694.48	10,083,670.00	100.00	100.00
	NCS and TR	5,657,345.00	3,826,844.81	5,364,454.00	100.00	100.00
	Operating Costs	1,529,666.00	1,195,019.89	1,588,812.00	100.00	100.00
	Total	20,700,000.00	14,399,860.74	20,700,000.00		