



**The World Bank**

Burundi Coffee Sector Competitiveness Project (P151869)

REPORT NO.: RES47141

RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
BURUNDI COFFEE SECTOR COMPETITIVENESS PROJECT  
APPROVED ON JUNE 17, 2016  
TO

MINISTRY OF FINANCE, BUDGET, COOPERATION AND ECONOMIC DEVELOPMENT

AGRICULTURE AND FOOD

AFRICA EAST

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## ABBREVIATIONS AND ACRONYMS

ARFIC	Agency for the Regulation of the Coffee Sector / <i>Agence de Régulation du Secteur Café</i>
CD	Country Director
CMU	Country Management Unit
CNAC	National Confederation of Coffee Growers Associations / : <i>Confédération Nationale des Associations de Caféculteurs</i>
GoB	Government of Burundi
IDA	International Development Association
IPF	Investment Project Financing
MTR	Mid Term Review
ODECA	Office of Coffee Development / <i>Office de Développement du Café</i>
PACSC	Coffee Sector Competitiveness Project / <i>Projet d'Appui à la Compétitivité du Secteur Café</i>
PDO	Project Development Objective
UCP	Project Coordination Unit / <i>Unité de Coordination du Projet</i>
SDR	Special Drawing Rights



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

**BASIC DATA**

**Product Information**

Project ID P151869	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 17-Jun-2016	Current Closing Date 30-Jun-2023

**Organizations**

Borrower Ministry of Finance, Budget, Cooperation and Economic Development	Responsible Agency Ministry of Environment, Agriculture and Livestock
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**Project Development Objective (PDO)**

Original PDO

The project development objective (PDO) is to increase coffee productivity and improve its quality among small-scale coffee growers in Burundi.

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-D0570	17-Jun-2016	05-Aug-2016	12-Oct-2016	30-Jun-2023	55.00	37.93	17.19

**Policy Waiver(s)**

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

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Coffee Sector Competitiveness Project-CSCSP/PACSC(P151869) was approved by the Board on June 17, 2016 with a total budget of US\$55Mn (IDA Grant). The Financing Agreement was signed on August 5, 2016 and the Project became effective on October 12, 2016. The initial Project closing date is set for June 30, 2023.
2. The MTR of the Project took place in November 2019 but the recommendations agreed upon were not implemented because the Government changed the institutional governance in the sector in early 2020 as described above. Despite many exchanges with the authorities of Burundi by the CMU, numerous discussions and exchanges by the Task team and Aide-Memoires clearly mentioning that these considerable changes posed huge risks to the Project, things have not changed.
3. In view of the above and as a result of the major changes to the institutional governance of the sector, 6 indicators of the project's Results Framework (1 PDO level indicator and 5 intermediate indicators of which 2 under component 1 and 3 under component 3) have stagnated due to the freeze of the activities. So, given the obvious risk of the PDO not being achieved, the Government and the Bank have agreed that: (i) the Project will be closed on June 30, 2021, (ii) the remainder of the IDA Grant financing of the project will remain at the disposal of the Country if recommitted prior to June 2022 and could be reallocated to another Project in order to, for instance, continue supporting the improvement of the coffee production. Taking into account all of the above, a formal letter dated April 07, 2021 was sent by the Government, requesting the Bank to proceed with the cancellation of funds and next steps. The GoB sent another letter dated June 11, 2021 to confirm to the WB the undisbursed IDA amount to cancel along with a detailed table for each disbursement category. The amount to cancel and the table per disbursement category required corrections as exchange rate USD/SDR used was incorrect. A revised document dated June 17, 2021 was sent by the PIU with the modified amount and table, which was then validated by WFA.

## II. DESCRIPTION OF PROPOSED CHANGES



1. This restructuring seeks to: (i) cancel the entire undisbursed balance of XDR 11,174,133.44, based on estimates that future project expenditures are less than the current Designated Account balance ; and (ii) sets a new Closing Date of June 30, 2021, with a grace period until October 29, 2021.

2. This restructuring seeks an advancement rather than an extension of the Closing Date due to institutional changes making it both impossible to implement the Project as planned as well achieve the PDO. As such, this restructuring does not require a confirmation indicated in the Bank Directive relating to IPFs that “the PDOs remain achievable, the performance of the Borrower or Project participant(s) remains satisfactory, and the Bank and the Borrower or Project Participant(s) agree on actions that will be undertaken by the Borrower or Project Participant(s) to complete the Project.”. Therefore, this does not require a waiver from OPCS.

**III. SUMMARY OF CHANGES**

	Changed	Not Changed
Loan Closing Date(s)	✓	
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓



Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

**IV. DETAILED CHANGE(S)**

**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D0570	Effective	30-Jun-2022	30-Jun-2023	30-Jun-2021	29-Oct-2021

**CANCELLATIONS**

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-D0570-001	Disbursing	XDR	39,100,000.00	11,174,133.44	30-Jun-2021	27,925,866.56	BORROWER'S REQUEST FOR COUNTRY REASONS

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed

IDA-D0570-001 | Currency: XDR

iLap Category Sequence No: 1

Current Expenditure Category: GD,WK,NCS,CS,OC & TR



10,795,610.00	10,795,609.13	10,795,609.13	100.00	100.00
iLap Category Sequence No: 10	Current Expenditure Category: CWS Matching Grants, Pt 3a iii			
712,155.00	108,018.08	131,294.14	100.00	100.00
iLap Category Sequence No: 11	Current Expenditure Category: GD,WK,NCS,CS,OC & TR			
1,731,351.00	5,271.29	13,210.65	100.00	100.00
iLap Category Sequence No: 12	Current Expenditure Category: Fertilizer Subsidies, Pt 2b (i)			
2,905,730.00	242,774.12	277,503.40	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: GD,WK,NCS,CS,OC & TR			
1,392,386.00	1,392,385.80	1,392,385.80	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: GD,WK,NCS,CS,OC & TR			
676,262.00	676,261.10	676,261.10	100.00	100.00
iLap Category Sequence No: 4	Current Expenditure Category: GD,WK,NCS,CS,OC & TR			
3,101,826.00	3,101,825.05	3,101,825.05	100.00	100.00
iLap Category Sequence No: 5	Current Expenditure Category: Women & Youth Matching Grants			
55,416.00	55,415.34	55,415.34	100.00	100.00
iLap Category Sequence No: 6	Current Expenditure Category: CWS Matching Grants, Pt 3a iii			
32,887.00	32,886.43	32,886.43	100.00	100.00
iLap Category Sequence No: 7	Current Expenditure Category: Fertilizer Subsidies, Pt 2b (i)			
1,694,271.00	1,694,270.10	1,694,270.10	100.00	100.00
iLap Category Sequence No: 8	Current Expenditure Category: PPF REFINANCING			



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	104,956.00	104,955.87	104,955.87	100.00	100.00
iLap Category Sequence No: 9		Current Expenditure Category: GD,WK,NCS,CS,OC & TR Women & Youth Matching Grants			
	15,897,150.00	6,641,664.04	9,650,249.55	100.00	100.00
<b>Total</b>	<b>39,100,000.00</b>	<b>24,851,336.35</b>	<b>27,925,866.56</b>		