



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
FOREST CONSERVATION AND SUSTAINABILITY IN THE HEART OF THE COLOMBIAN AMAZON
APPROVED ON DECEMBER 8, 2014
TO
PATRIMONIO NATURAL FONDO PARA LA BIODIVERSIDAD Y AREAS PROTEGIDAS
ENVIRONMENT, NATURAL RESOURCES & THE BLUE ECONOMY
LATIN AMERICA AND CARIBBEAN

Regional Vice President:	Carlos Felipe Jaramillo
Country Director:	Mark Roland Thomas
Regional Director:	Anna Wellenstein
Practice Manager/Manager:	Genevieve Connors
Task Team Leader(s):	Ana Maria Gonzalez Velosa



ABBREVIATIONS AND ACRONYMS

AF1	First Additional Financing
AF2	Second Additional Financing
ASL	Amazon Sustainable Landscapes Program
COVID-19	Coronavirus Disease of 2019 (also known as 2019 novel coronavirus or SARS Cov-2)
GEF	Global Environmental Facility
IP	Indigenous people
IPLC	Indigenous Peoples and Local Communities
PDO	Project Development Objective



BASIC DATA

Product Information

Project ID P144271	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 08-Dec-2014	Current Closing Date 30-Nov-2024

Organizations

Borrower Patrimonio Natural Fondo para la Biodiversidad y Areas Protegidas	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The project's global environmental objective (GEO) is the same as the project's development objective (PDO), namely, to improve governance and promote sustainable land use activities in order to reduce deforestation and conserve biodiversity in the Project area.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-B5182	30-Apr-2021	13-May-2021	05-Oct-2021	30-Nov-2024	18.37	0	18.37
TF-A5789	31-Oct-2017	07-Nov-2017	07-Nov-2017	30-Nov-2024	12.00	8.25	3.75
TF-18478	21-Jan-2015	21-Jan-2015	02-Mar-2015	30-Jun-2019	10.37	10.37	0



Policy Waiver(s)

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

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Forest Conservation and Sustainability in the Heart of the Colombian Amazon Project, also known as Corazón de la Amazonía, financed with a US\$10.4 million grant from the Global Environmental Facility (GEF), became effective in March 2015. In October 2017, the first additional financing (AF1) was approved, with US\$12 million granted during the 6th GEF project cycle (GEF6) to mainstream interventions and scale up activities. The GEF-financed Amazon Sustainable Landscapes (ASL) Program funded the AF1 using a national child project structure. The ASL program also included national projects in Brazil, Colombia and Peru and regional technical assistance led by the World Bank. In 2021, through GEF-7 grant resources, a second additional financing (AF2) was approved. The AF2 leveraged the demonstrated successes of the Project, scaled up best practices and experiences, and strengthened conservation and sustainable development actions to restore and maintain ecological connectivity between conserved ecosystems and address the drivers of deforestation affecting the Amazon. The AF2 became part of the second phase of the ASL, which scaled up existing national projects and included new ones in Bolivia, Ecuador, Guyana and Suriname.
2. The original PDO remains the same: to improve governance and promote sustainable land use activities in order to reduce deforestation and conserve biodiversity in the Project area. Four components contribute to achieving the objective of the project: (i) Protected areas management and financial sustainability; (ii) Sustainable Forest and water management and use; (iii) Governance, policies and incentives; and (iv) Project coordination, communications, monitoring and evaluation.
3. The Project has satisfactory performance and has been achieving tangible results; including: (i) increased areas under legal protection, management effectiveness in five existent protected areas, as well as protected wetland areas; (ii) sustainable management practices, including community forestry already promoted in over 24 thousand hectares, and restoration of almost 1,000 hectares of degraded lands; (iii) establishment and implementation of agreements with development sectors such as transport, agriculture, mining and infrastructure to prevent further deforestation; and, (vi) continued support to the country's forest and carbon monitoring system providing timely early deforestation alerts. The project continues contributing to the Colombian Government Vision Amazonia strategy, the achievement of national biodiversity and climate change commitments.
4. Covid-19 mitigation measures such as travel restrictions and the self-isolation of some indigenous communities, combined with social unrest and armed conflict, undermined project implementation, particularly the consultation process associated with the AF2 funded activities and the related safeguard documents. As a result, the project did not fully comply with the dated legal covenant in the grant agreement (Schedule Project Execution. Section, I.E. Safeguards) that specifies: "The Recipient shall prior to carrying out any activity that involves Indigenous Peoples and Local Communities (IPLC), and not later than March 31, 2022, provide evidence acceptable to the Bank that the Recipient has consulted and socialized with the IPLC participating in the Project and update the corresponding Safeguards Documents, as the case may be, all in a manner acceptable to the Bank".



5. The proposed restructuring will modify the aforementioned legal covenant by: (i) removing the specific date and (ii) adjusting the text to indicate that no activity involving indigenous people (IP) will be carried out until the corresponding management plans and other relevant safeguards documents are updated, consulted, and approved by the Bank. *This modification will allow the grant recipient to comply with the covenant satisfactorily, ensuring safeguard procedures are followed. No change or adjustment is required in the ISDS.*

6. The Project restructuring does not entail changes to the PDO or total Project costs. Lastly, the Project restructuring fully complies with OP/BP 10.00, Investment Project Financing since (a) the PDO remains achievable; (b) performance of the Recipient remains satisfactory; (c) the Bank and the Recipient agree on actions that the Recipient will undertake to complete the Project; (d) the Project is not subject to suspension of disbursements; and (e) the Recipient does not have any outstanding audit reports nor are there audit reports which are not satisfactory to the Bank.

II. DESCRIPTION OF PROPOSED CHANGES

- 1. The legal covenant described in Section I.E.8 of Schedule 2 to the Grant Agreement

The Recipient shall prior to carrying out any activity that involves Indigenous Peoples and Local Communities (IPLC), and not later than March 31, 2022, provide evidence acceptable to the Bank that the Recipient has consulted and socialized with the IPLC participating in the Project and update the corresponding Safeguards Documents, as the case may be, all in a manner acceptable to the Bank.

- 2. Shall be changed to:

“The Recipient shall prior to carrying out any activity that involves Indigenous Peoples and Local Communities (IPLC), provide evidence acceptable to the Bank that the Recipient has consulted and socialized with the IPLC participating in the Project and update the corresponding Safeguards Documents, as the case may be, all in a manner acceptable to the Bank”.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Legal Covenants	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓



Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LEGAL COVENANTS

Loan/Credit/TF	Description	Status	Action
TF-B5182	Schedule 2. Project Execution. Section I.E. Safeguards. The Recipient shall prior to carrying out any activity that involves Indigenous Peoples and Local Communities (IPLC), and not later than March 31, 2022, provide evidence acceptable to the Bank that the Recipient has consulted and socialized with the IPLC participating in the Project and update the corresponding Safeguards Documents, as the case may be, all in a manner acceptable to the Bank.	Partially complied with	Revised



Proposed	Schedule 2. Project Execution. Section I.E. Recipient shall prior to carrying out any activity that involves Indigenous Peoples and Local Communities (IPLC), provide evidence acceptable to the Bank that the Recipient has consulted and socialized with the IPLC participating in the Project and update the corresponding Safeguards Documents, as the case may be, all in a manner acceptable to the Bank.	Not yet due	
TF-B5182	Schedule 2. Project Execution. Section I.A.1. The Recipient shall operate and maintain, throughout the implementation of the Project, the PCU, headed by a Project coordinator, with functions, responsibilities and sufficient resources, acceptable to the WB, and staffed with competent personnel in adequate numbers, including, but not limited to, a protected areas specialist, a forest management specialist, an indigenous peoples specialist, a procurement specialist, a financial management specialist, sectoral policies management specialist, a monitoring and evaluation specialist, and an environmental and social safeguards specialist, all with qualifications, experience and terms of reference acceptable to the WB. The PCU shall be responsible for, inter alia, the day-to-day financial management and procurement activities of the Project.	Complied with	No Change
TF-B5182	Schedule 2. Project Execution. Section I.A.2. The Recipient shall with the assistance of the Partner Entities, operate and maintain, throughout the implementation of the Project, an EC, with functions, responsibilities and sufficient resources, acceptable to the WB, and comprised of qualified representatives from the Recipient and each of the Partner Entities. The EC shall be responsible for, inter alia, providing technical guidance to the PCU, and supervising the implementation of the Project.	Complied with	No Change
TF-B5182	Schedule 2. Project Execution. Section I.A.2. 3. Pursuant to the provisions of the Inter-institutional Agreement, the Recipient shall ensure to coordinate with the Member Country, through the Minambiente, to operate and maintain, throughout the period of implementation of the Project, the AC, chaired by	Partially complied with	No Change



Minambiente, with functions, responsibilities and structure, acceptable to the WB, and comprised of qualified representatives from, inter alia, the Partner Entities, which shall be responsible for providing non-binding strategic guidance, and assisting in the resolution of inter-sectoral issues under the Project.