



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
RURAL ALLIANCES PROJECT II
APPROVED ON OCTOBER 23, 2012
TO
THE PLURINATIONAL STATE OF BOLIVIA

AGRICULTURE AND FOOD

LATIN AMERICA AND CARIBBEAN

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ABBREVIATIONS AND ACRONYMS

EMPODERAR	:	Self-managed Productive Initiatives for Rural Development <i>(Emprendimientos Productivos para el Desarrollo Rural Auto-gestionario)</i>
FPS	:	National Fund for Productive and Social Investment <i>(Fondo Nacional de Inversión Productiva y Social)</i>
IDA	:	International Development Association
IBRD	:	International Bank for Reconstruction and Development
MDRyT	:	Ministry of Rural Development and Land <i>(Ministerio de Desarrollo Rural y Tierras)</i>
MPD	:	Ministry of Development Planning <i>(Ministerio de Planificación del Desarrollo)</i>
PAR	:	Rural Alliances Project <i>(Proyecto de Alianzas Rurales)</i>
PDO	:	Project Development Objective
SDR	:	Special Drawing Rights



BASIC DATA

Product Information

Project ID P127743	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 23-Oct-2012	Current Closing Date 30-Nov-2021

Organizations

Borrower The Plurinational State of Bolivia	Responsible Agency EMPODERAR (Emprendimientos Organizados para el Desarrollo Rural Autogestionario)
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Project Development Objective (PDO)

Original PDO

The objective of the Project is to improve accessibility to markets for small rural producers in the Selected Areas by: (a) promoting productive alliances between different small rural producer organizations and purchasers; (b) empowering rural producers through the establishment and strengthening of self-managed grass-root organizations; (c) increasing access to productive assets, technology and financial services; (d) promoting more effective, responsive and accountable service organizations at the local level; and (e) enhancing environmental sustainability of productive practices. The Project is a follow on operation to the successful PAR I, which tested the model for improving market access.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IBRD-87350	13-Apr-2017	28-Jul-2017	08-Feb-2018	30-Nov-2021	100.00	64.03	35.97
IDA-51700	23-Oct-2012	12-Dec-2012	09-May-2013	30-Jun-2018	49.97	46.18	0



Policy Waiver(s)

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

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. The Bolivia Rural Alliances II Project (PAR II) was approved by the Board of Directors on October 23, 2012 with an original IDA Credit (5170-BO) of SDR 32.9 million (US\$50 million equivalent) and became Effective on May 9, 2013. PAR II has three components: (1) Institutional Strengthening; (2) Implementation of Rural Alliances; and (3) Project Management, Monitoring and Evaluation. Following two closing date extensions (totaling nine months), IDA Credit 5170-BO fully disbursed and closed on June 30, 2018.
2. The Board of Directors approved an Additional Financing of PAR II (IBRD Loan 8735-BO) in the amount of US\$ 100 million on April 13, 2017, which became Effective on February 8, 2018 with a Closing Date of November 30, 2021. The Ministry of Rural Development and Land (MDRyT) implements PAR II through its EMPODERAR unit. The National Fund for Productive and Social Investment (FPS) also implements a series of subprojects for municipal and regional infrastructure under PAR II.
3. The Project Development Objective (PDO) continues to be achievable and is rated Moderately Satisfactory. Implementation Progress (IP) is also rated Moderately Satisfactory. Cumulative disbursements for IBRD 8735-BO are US\$ 64,031,809.54 (64 percent of the total commitment). Up to August 31, 2021, MDRyT/EMPODERAR signed 994 subproject agreements with rural producer organizations benefiting 28,000 households for investments totaling US\$ 75.8 million, of which US\$ 53.4 million would be financed under IBRD 8735-BO. Implementation is complete for 29 subprojects, while the implementation for the remaining 965 subprojects is ongoing. FPS has 43 subproject agreements in place for investments in municipal/regional infrastructure and irrigation totaling US\$ 12.7 million, of which US\$ 9.5 million would be financed under IBRD 8735-BO; implementation for these 43 subprojects is also ongoing.
4. The PAR II Procurement rating is Satisfactory, its Financial Management rating is Moderately Satisfactory, and the Overall Safeguards (Environment and Social) rating is Satisfactory. There are no outstanding issues. The Borrower is in compliance with the Loan 8735-BO covenants regarding financial reporting, there are no outstanding audits and all audit reports for this Project were considered satisfactory by the Bank.

B. Rationale for Restructuring

5. The principal drivers for the high undisbursed balance of Loan 8735-BO (US\$ 35,968,190.46) are: (a) the ongoing repercussions from the COVID-19 pandemic and the ensuing sanitary restrictions, which together negatively impacted Project execution during 2020 and 2021; and (b) frequent staff turnover, which further exasperated implementation progress. Since November 2020, stable project staffing has led to a significant increase in implementation progress, despite the ongoing impacts of the COVID-19 pandemic. The proposed Closing Date Extension, the first for this Additional



Financing Loan and third for the overall Project, would afford MDRyT/EMPODERAR and FPS sufficient additional time to fully implement remaining Project activities, achieve the PDO and disburse the remaining balance of Loan 8735-BO.

II. DESCRIPTION OF PROPOSED CHANGES

6. This Restructuring Paper seeks approval to: (a) extend the Closing Date for IBRD 8735-BO by twelve (12) months to November 30, 2022; and (b) update IBRD Loan 8735-BO disbursement estimates.

7. Closing Date Extension: The Government of Bolivia, in correspondence from the Ministry of Development Planning (MPD) dated August 26, 2021 and from MDRyT dated July 1, 2021, requested that the World Bank extend the IBRD 8735-BO Closing Date by twelve (12) months to November 30, 2022. The proposed Closing Date Extension would: (a) permit the full implementation of the 994 signed subproject agreements with rural producer organizations and the 43 approved municipal/regional infrastructure and irrigation subprojects; and (b) fully disburse the remaining undisbursed Loan resources of US\$ 35,968,190.46. Both EMPODERAR and FPS have presented action plans to support the proposed twelve-month Closing Date extension; the Bank team has reviewed these actions plans and found them satisfactory.

8. IBRD Loan 8735-BO Disbursement Estimates: Pending a Decision on the proposed Closing Date Extension, the disbursement estimates have been updated to reflect full disbursement of IBRD Loan 8735-BO during FY2022.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Disbursement Estimates	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
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
IBRD-87350	Effective	30-Nov-2021		30-Nov-2022	30-Mar-2023
IDA-51700	Closed	30-Nov-2017	31-Mar-2018, 30-Jun-2018, 17-Dec-2018		

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2013	0.00	0.00
2014	2,166,914.64	2,166,914.64
2015	12,126,567.37	12,126,567.37
2016	12,689,890.32	12,689,890.32



2017	16,195,341.55	16,195,341.55
2018	7,939,769.80	8,189,796.80
2019	33,735,403.00	5,317,969.11
2020	35,000,000.00	14,749,019.40
2021	22,918,840.00	22,646,063.70
2022	3,095,757.00	52,756,764.07