



DOCUMENT OF THE WORLD BANK

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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I. 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-2022

Organizations

Borrower The Plurinational State of Bolivia	Responsible Agency Ministry of Rural Development and Land - EMPODERAR (Emprendimientos Organizados para el Desarrollo R
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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-2022	100.00	97.59	2.41
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

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

A. PROJECT STATUS AND RATIONALE FOR PROJECT RESTRUCTURING

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 was fully disbursed and closed on June 30, 2018.
2. The Board of Directors approved an Additional Financing to 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 an original closing date on November 30, 2021, which was extended once for 12 months until the current Closing Date of November 30, 2022. 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 Satisfactory. Implementation Progress (IP) is also rated Satisfactory. Cumulative disbursements of IBRD 8735-BO are US\$ 96.6 million (97 percent of the total commitment). Up to August 31, 2022, MDRyT/EMPODERAR had 1,156 rural alliances subprojects under implementation, benefiting some 30,000 households at a total cost of US\$ 76.8 million, of which US\$ 61.5 million would be financed under IBRD 8735-BO. FPS has 71 subproject agreements in place for investments in municipal/regional infrastructure and irrigation services totaling US\$ 14.6 million, of which 80 percent (US\$ 11.7 million) would be financed under IBRD 8735-BO.
4. The PAR II Procurement rating is Satisfactory, its Financial Management rating is 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 the Project were considered satisfactory by the Bank.
5. As stated in its technical report of August 5, 2022, of the 71 subprojects (at a total cost of US\$14.6 million) under FPS implementation, eleven critical subprojects (at a total cost of US\$3 million) will not be concluded by the November 30, 2022, closing date. These remaining eleven subprojects will provide needed market access and irrigation services to fifteen rural alliances implemented by rural producer organizations across four Departments, with support from EMPODERAR.

B. PROPOSED CHANGES

6. This Restructuring Paper seeks approval to: (a) extend the Closing Date for IBRD 8735-BO by eight (8) months to July 31, 2023; and (b) reallocate loan proceeds in Categories 1, 2a, 2b, and 3 of Ln. 8735-BO.



7. Closing Date Extension: The Government of Bolivia, in correspondence from the Ministry of Development Planning (MPD) dated October 24, 2022, and from MDRyT dated September 15, 2022, requested that the World Bank extend the IBRD 8735-BO Closing Date by eight (8) months to July 31, 2023. The proposed Closing Date Extension would: (a) permit the full implementation of the 1,156 signed subproject agreements with rural producer organizations and the 71 approved municipal/regional infrastructure and irrigation subprojects; and (b) fully disburse the remaining undisbursed loan resources of US\$ 3.4 million. Both EMPODERAR and FPS have presented action plans to support the proposed eight-month Closing Date extension; the Bank team has reviewed these action plans and finds them satisfactory. Pending the Decision regarding the Closing Date Extension, the disbursement estimates for IBRD 8735-BO will be updated.

8. Reallocation of Loan Proceeds: The Government of Bolivia, in correspondence from MPD dated August 8, 2022, requested a relocation of the loan proceeds of 8735-BO as follows: (a) increase Category 1 by US\$ 368,100 for a total of US\$ 5,398,100; (b) decrease Category 2a by US\$ 3,612,500 for a total of US\$75,666,800; (c) increase Category 2b by US\$ 314,500 for a total of US\$ 4,255,200; and (d) increase Category 3 by US\$ 2,929,900 for a total of US\$ 14,429,900.

III. DETAILED CHANGES

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	31-Jul-2023	30-Nov-2023
IDA-51700	Closed	30-Nov-2017	31-Mar-2018, 30-Jun-2018, 17-Dec-2018		

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Ln/Cr/TF	Current Expenditure Category	Current Allocation	Actuals + Committed	Proposed Allocation	Disbursement % (Type Total)	
					Current	Proposed
IBRD-87350-001 Currency: USD	GO, CS, OP and TR - Part 1	5,030,000.00	4,985,254.47	5,398,100.00	100.00	100.00
	CW,GO,NCS&CS - Subp - Pts 2a & 2b	79,279,300.00	70,345,550.89	75,666,800.00	100.00	100.00



The World Bank

Rural Alliances Project II (P127743)

CS (inc. audit) - Part 2c & FPS OP	3,940,700.00	3,996,105.92	4,255,200.00	100.00	100.00
GO,CS,NCS,TR,O P-Pt 3 & audit (more)	11,500,000.00	13,168,905.04	14,429,900.00	100.00	100.00
FRONT END FEE	250,000.00	250,000.00	250,000.00		
Total	100,000,000.00	92,745,816.32	100,000,000.00		