

Document of
The World Bank

Report No: 55340-KZ

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF
THE AGRICULTURAL COMPETITIVENESS PROJECT
IBRD LOAN NO. 4774 KZ
04/28/2005

TO THE

REPUBLIC OF KAZAKHSTAN

07/16/2010

ABBREVIATIONS AND ACRONYMS

ACP – Agricultural Competitiveness Project
NRL – National Reference Laboratory

Vice President:	Philippe Le Houerou
Country Director:	Motoo Konishi
Sector Director:	Peter D. Thomson
Sector Manager:	Dina Umali-Deininger
Task Team Leader:	Michael G. Carroll

Restructuring	Status: Draft
Restructuring Type: Level two	
Last modified on date : 06/22/2010	

1. Basic Information	
Project ID & Name	P049721: AGRIC COMPETITIVENESS
Country	Kazakhstan
Task Team Leader	Michael G. Carroll
Sector Manager/Director	Dina Umali-Deininger / Peter D. Thomson
Country Director	Motoo Konishi
Original Board Approval Date	04/28/2005
Original Closing Date:	07/30/2010
Current Closing Date	07/30/2010
Proposed Closing Date [if applicable]	06/30/2012
EA Category	F-Financial Intermediary Assessment
Revised EA Category	F-Financial Intermediary Assessment-Financial Intermediary Assessment
EA Completion Date	05/31/2003
Revised EA Completion Date	

2. Revised Financing Plan (US\$)		
Source	Original	Revised
BORR	46.80	46.80
IBRD	24.00	24.00
ZBEN	12.30	12.30
Total	83.10	83.10

3. Borrower		
Organization	Department	Location
Republic of Kazakhstan		Kazakhstan

4. Implementing Agency		
Organization	Department	Location
Ministry of Agriculture	Foreign Relations and Investments	Kazakhstan

5. Disbursement Estimates (US\$m)		
Actual amount disbursed as of 06/24/2010		11.84
Fiscal Year	Annual	Cumulative
2010	0.00	11.84
2011	2.45	14.29
2012	11.00	25.29
	Total	25.29

6. Policy Exceptions and Safeguard Policies	
Does the restructured project require any exceptions to Bank policies?	N
Does the restructured projects trigger any new safeguard policies? If yes, please select from the checklist below and update ISDS accordingly before submitting the package.	N

7a. Project Development Objectives/Outcomes
Original/Current Project Development Objectives/Outcomes
The projects development objective is to increase the competitiveness of the agricultural sector in Kazakhstan. To achieve this objective, the project would facilitate access to markets by supporting measures to improve the quality and safety of agricultural products, enhance access to information, and harmonize standards. It will also help to increase the quality, quantity, and relevance of applied agricultural research and facilitate transfer of knowledge to farmers.

7b. Revised Project Development Objectives/Outcomes [if applicable]

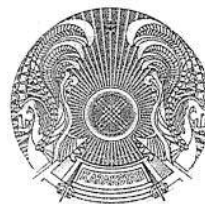
ANNEX 3:
Extension of Closing Date

KAZAKHSTAN AGRICULTURAL COMPETITIVENESS PROJECT
P049721
4774 KZ

Restructuring Memo

1. The closing date for Kazakhstan Agricultural Competitiveness Project, 4774 KZ, P049721 will be extended from July 30, 2010 until June 30, 2012.
2. The project is effective since September 18, 2006. The project includes an innovative and successful competitive grants scheme benefiting farmers, small agro industries and research institutes, as well as harmonization of regulations and standards of quality of commodities, modernization of oblast laboratories and construction of a National Reference Laboratory for an integrated food safety system. Starting from the beginning of 2009 the project showed good results almost in all components. Implementation progress rating and development objective rating are moderately satisfactory. Financial monitoring, audit reports are satisfactory to the Bank. Original project development objectives continue to be achievable at the end of the project implementation.
3. The proposed extension is necessary to complete financing of the grants which were already approved and still disbursing from loan funds (Part C 2(iii) of the project) and to complete design of a new building for laboratory in Part A.2 of the Project Description (Schedule 2 of the Loan Agreement) (National Reference Laboratory). In first three rounds, 356 sub-projects have been approved and started implementation; while in the fourth round an additional 221 sub-projects have been approved and will start disbursing after extension of the closing date. In addition, the contract for designing the National Reference Laboratory is in the final phase of negotiation. Although the request is to extend the project until June 30, 2013 the team feels that at the moment extending until June 30, 2012 is fully sufficient to complete design/construction of the Laboratory, conduct a tender to select contractor for construction of the laboratory and financing of the grant subprojects. The Ministry of Agriculture remains committed to complete construction in spite of the delays and procurement difficulties, and has expressed interest in initiating a dialogue with the Bank on a possible follow-up operation.
4. This will be the first extension of the project.

ҚАЗАҚСТАН
РЕСПУБЛИКАСЫНЫҢ
ҚАРЖЫ МИНИСТРЛІГІ



MINISTRY
OF FINANCE OF
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OF KAZAKHSTAN

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200 ж. August 21 No. DGZ-1/10377

На № _____ от _____

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**International Bank
For Reconstruction and Development
1818 H Street, N.W.
Washington D.C. 20433, USA**

Re: Extension of the Closing Date for Withdrawals

Ministry of Finance of the Republic of Kazakhstan presents its compliments to the World Bank and expresses its gratitude for the assistance provided during the implementation of the investment projects.

In connection with the request made by the Ministry of Agriculture of the Republic of Kazakhstan, the Ministry of Finance would like to kindly ask the World Bank to extend the Closing Dates for the withdrawal of loan proceeds under the following Projects:

- *Agricultural Competitiveness Project* (IBRD Loan No. 4774 KZ) – from July 30, 2010 to June 30, 2013;
- *Forest Protection and Reforestation Project* (IBRD Loan No. 4848 KZ) – from November 30, 2012 to May 31, 2014;
- *Nura River Cleanup Project* (IBRD Loan No. 4693 KZ) – from September 30, 2009 to June 30, 2010;
- *Second Agricultural Post Privatization Project* (IBRD Loan No. 4774 KZ) – from December 31, 2009 to December 31, 2011;
- *Syr-Darya and Northern Aral Sea Project (Phase 1)* (IBRD Loan No. 4774 KZ) – from December 31, 2009 until December 31, 2010.

Sincerely,

Bolat Zhamishev

Minister of Finance

Republic of Kazakhstan



Қазақстан Республикасының

Қаржы Министрлігі

Астана, 010000

Қазақстан Республикасының

Министрлер Кабинеті

Астана, 010000

013-1/013
02.00.0003, 01.00.0003

Всемирный Банк
представительство в Казахстане
Самал 12, Астана 010000

Кас: Заем № 1771-KZ «Повышение конкурентоспособности сельскохозяйственной продукции»

В соответствии с Соглашением о займе 30 июля текущего года намечено истечение срока снятия средств займа.

Вместе с тем, по состоянию на 1 января 2010 года неосвоенный остаток займа составил 14,8 млн. долларов США, что связано с задержкой в реализации проекта, вызванной организационными проблемами на первоначальной стадии проекта.

Ранее Министерство финансов РК письмом от 21 августа 2009 года № ДПЗ-1/10877 в адрес Всемирного Банка направляло запрос касательно продления даты снятия средств займа с 30 июля 2010 года до 30 июля 2013 года, по настоящее время так и не получило ответа.

Будем благодарны за ваш скорейший ответ по данному вопросу.

С уважением,


Б. Шымашулов
Вице-Министр финансов
Республики Казахстан

021710