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RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
THE TOCANTINS SUSTAINABLE CERRADO PROJECT  
GRANT FROM THE SUSTAINABLE CERRADO INITIATIVE  
TO THE  
STATE OF TOCANTINS  
June 10, 2013

Sustainable Development Unit  
Brazil Country Management Unit  
Latin American and Caribbean Region

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Regional Vice President:	Hasan Tuluy, LCRVP
Country Director:	Deborah Wetzel, LCC5C
Sector Manager:	Karin Kemper, LCSEN
Task Team Leader:	Bernadete Ribas Lange

**BRAZIL**  
**SUSTAINABLE CERRADO INITIATIVE**  
**TOCATINS SUSTAINABLE CERRADO PROJECT**  
**P091827 / TF096766**  
**RESTRUCTURING PAPER – LEVEL 2**

The purpose of this level two restructuring is to extend the Closing Date of the Brazil: Tocantins Sustainable Cerrado Project (GEF, TF096766) from June 31, 2013 to December 2, 2013.

The Tocantins Sustainable Cerrado Project is part of the Sustainable Cerrado Initiative that addresses global environmental biodiversity protection priorities, through decentralized actions together with an integrated, biome-wide coordination, and it is consistent with GEF-3 Strategic Objectives. The Tocantins Sustainable Cerrado Project is financed by a GEF Grant in the amount of US\$3.0 million. The grant was declared effective on September 13, 2010. To date, the Project has disbursed US\$1,522,716.81 (50.76% of the grant amount). Most of the remaining funds have already been committed and are expected to be fully disbursed by November 2013.

The proposed amendment is based on a request from the recipient dated January 14, 2013, that was endorsed by the Ministry of the Environment's (MMA) on January 25, 2013; and by the Brazilian Overseas Finance Commission's (COFIEX) on May 9, 2013.

This will be the first extension of the Closing Date for this Project. The reason for this extension is to fully execute and finance contracts under implementation and to carry out a broad evaluation of the Project's results and intermediaries indicators.

The design of the components and activities will remain the same and the project is expected to reach its intended objectives, although the scope of the outcome (250,000 ha in new protected areas) will ultimately depend on the commitment of both Federal and State Governments). Major accomplishments to date include: (i) strengthening of protection of existing protected areas; (ii) implementation of new policies on water resources, fauna, and environmental regularization of rural properties, including specific systems ready to be used; and (iii) development of proposals for the creation of new protected areas.

As result of the Project implementation, Tocantins Government has being able to strengthen the dialog and engage with relevant environmental agencies and local actors that are key for the achievement of the Project's objective.

Based on provision of OP13.30, the Bank team confirms that: (i) the project objectives continue to be achievable; and (ii) the performance of the recipient is moderately satisfactory. Procurement post-review and financial management missions were carried out, and the arrangements in place were considered moderately satisfactory.