

Document of  
The World Bank

Report No: 67448-CO

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING  
OF THE  
COLOMBIAN NATIONAL PROTECTED AREAS  
CONSERVATION TRUST FUND PROJECT

(GEF TF GRANT NO. TF-56351)

BOARD APPROVED ON 03/29/2006

IN THE AMOUNT OF  
US\$15 MILLION  
(ORIGINAL)

TO THE

PATRIMONIO NATURAL-FONDO DE APOYO A LA BIODIVERSIDAD Y ÁREAS  
PROTEGIDAS (RECIPIENT) AND THE REPUBLIC OF COLOMBIA  
(BENEFICIARY)

MARCH 12, 2012

## ABBREVIATIONS AND ACRONYMS

<b>AF</b>	Additional Financing
<b>NPACTF</b>	The National Protected Areas Conservation Trust Fund Project
<b>SIRAPM</b>	Colombian Macizo Regional Protected Area System ( <i>Sistema Regional de Áreas Protegidas del Macizo Colombiano</i> )
<b>GEF</b>	Global Environmental Facility

Regional Vice President:	Hasan Tuluy
Country Director:	Gloria M. Grandolini
Sector Director:	Ede Ijjasz-Vasquez
Sector Manager:	Karin E. Kemper
Task Team Leader:	Richard Damania

<b>Restructuring</b>
<b>Restructuring Type: Extension Closing Date</b>
Last modified on date : 08/10/2011

<b>1. Basic Information</b>	
Project ID & Name	P091932: Colombian National Protected Areas Conservation TF
Country	Colombia
Task Team Leader	Richard Damania
Sector Manager	Karin Erika Kemper
Country Director	Gloria M. Grandolini
Original Board Approval Date	03/29/2006
Original Closing Date:	10/18/2011
Current Closing Date	04/18/2012
Proposed Closing Date [if applicable]	04/18/2013
EA Category	B-Partial Assessment
Revised EA Category	
EA Completion Date	04/15/2005
Revised EA Completion Date	

<b>2. Revised Financing Plan (US\$m)</b>		
Source	Original	Revised
BORR	27.40	27.40
GEFU	15.00	15.00
<b>Total</b>	<b>42.40</b>	<b>42.40</b>

<b>3. Recipient</b>		
Organization	Department	Location
Patrimonio Natural-Fondo de apoyo a la Biodiversidad y Áreas Protegidas <sup>1</sup>		Colombia

<b>4. Implementing Agency</b>		
Organization	Department	Location
Patrimonio Natural-Fondo de apoyo a la Biodiversidad y Áreas Protegidas <sup>2</sup>		Colombia

<sup>1</sup> Previously known as “Fundación Fondo de Apoyo a la Biodiversidad y Áreas Protegidas (FUNBAP)”

<sup>2</sup> Idem

<b>5. Disbursement Estimates (US\$m)</b>		
<b>Actual amount disbursed as of 03/05/2012</b>		<b>13.73</b>
<b>Fiscal Year</b>	<b>Annual</b>	<b>Cumulative</b>
2011	2.301	13.73
	<b>Total</b>	<b>13.73</b>

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

<b>7a. Project Development Objectives/Outcomes</b>
<b>Original/Current Project Development Objectives/Outcomes</b>
The Project Development Objective is to launch a conservation trust fund that will: a) support the consolidation of Colombia's National Protected Areas System; and b) contribute to arrest and reverse trends in biodiversity loss.

<b>7b. Revised Project Development Objectives/Outcomes [if applicable]</b>
Not revised

COLOMBIA — COLOMBIAN NATIONAL PROTECTED AREAS CONSERVATION  
TRUST FUND  
P091932 GRANT

**Restructuring Paper**

**A. Summary**

1. A National Protected Area Conservation Trust Fund (NPACTF) Grant Agreement of US\$15M was signed by *Patrimonio Natural-Fondo de Apoyo a la Biodiversidad y Áreas Protegidas* (previously known as *Fundación Fondo de Apoyo a la Biodiversidad y Áreas Protegidas-FUNBAP*- the Recipient) and became effective on June 15, 2006, with an original closing date of October 18, 2011.
2. The client, *Patrimonio Natural*, requested an extension of the closing date from October 18, 2011 to April 18, 2012. The Additional Finance to the *Colombian National Protected Areas Conservation Trust Fund (TF-11814/ P091932)* for US\$4 Million was effective on November 22, 2011. The extension was needed to allow for information sharing and learning between the new project areas and the existing Project. The current closing date is April 18, 2012.
3. *Patrimonio Natural* is requesting an additional extension of the closing date for one year from April 18, 2012 to April 18, 2013, to consolidate *Patrimonio Natural* and support the National Protected Areas System. This extension is required due to the unanticipated consequences of the global financial crisis. The project's implementation is satisfactory and it has surpassed most of its indicators, but because of the global financial situation *Patrimonio Natural* has had difficulty raising co-financing funds needed for the project's Endowment Fund. Part of the project includes an Endowment Fund which requires one-to-one matching co-financing from other sources. As of today, the GEF has disbursed US\$ 6.5 Million (from US\$ 7.5) to the Endowment Fund with matching funds but is left with undisbursed funds. It was envisaged that matching funds would be available for the remaining US\$ 1 Million from a donor in Europe but this commitment was recently revoked. Undisbursed funds are US\$1,265,230. US\$265.230 will be disbursed to the sinking fund.
4. The Project Development Objective (PDO) as stated in the Grant Agreement is to launch a conservation trust fund that will: (a) support the consolidation of Colombia's National Protected Areas System and (b) contribute to arresting and reversing trends in biodiversity loss. The Global Environmental Objective (GEO) is to arrest and reverse trends of biodiversity loss in Colombia's globally important ecosystems.

## B. Project Status

5. The performance of the Project, including compliance with applicable safeguards policies and legal covenants, has been exemplary and deemed satisfactory on all Project indicators. The Project implementing agency, *Patrimonio Natural-Fondo de apoyo a la Biodiversidad y Áreas Protegidas*<sup>3</sup>, has demonstrated a strong commitment to achieving the PDO. As a result, implementation performance and the latest fiduciary reviews have been consistently rated satisfactory.
6. The Project is on track to meet its development objectives and outcome indicators. Some of the achievements include:
  - a) An endowment fund that has been capitalized to the extent of US\$15.1 Million (100% of the PDO indicator) of which US\$6.5 Million was contributed by the GEF. Investment returns have met their goals despite the volatility of financial markets and low returns worldwide.<sup>4</sup>
  - b) The Project currently operates in 9 conservation mosaics (landscapes), with core areas totaling 2.2 million ha. Over 91 percent of grant funds have been disbursed (as planned). The management strategy is tailored to pressures and environmental priorities in each area. The protected areas are at the core of the mosaic and are managed with an overarching focus on achieving conservation objectives. In the buffer areas outside the parks the focus is on promoting land-use and management actions that support environmental management and sustainable production in ways that are aligned with conservation goals and contribute to lowering the impacts of human interventions on the parks.
  - c) The Recipient's administrative, legal, and technical units are fully operational, and have allowed the co-financing for the sinking funds to surpass more than two times the original of US\$ 19.9 Million to about US\$ 42 Million (co-financing from the GEF to the sinking fund is US\$7.5 Million). The GEF has disbursed US\$ 6.5 Million (from US\$ 7.5) to the Endowment Fund. In addition, the project's monitoring, evaluation, and dissemination strategies are under implementation.

## C. Proposed Changes

7. *Patrimonio Natural* is requesting an additional extension of the closing date for one year from April 18, 2012 to April 18, 2013. Project implementation is satisfactory, but because of the global financial situation it has been very difficult for *Patrimonio Natural* to raise co-financing funds for the Endowment Fund. GEF contributions to the Endowment Fund require equivalent matching funds. The GEF has disbursed US\$ 6.5 Million (from US\$ 7.5) to the Endowment Fund (91% of the Grant). Undisbursed

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<sup>3</sup> Formerly known in the original Grant Agreement as *Fundación Fondo de Apoyo a la Biodiversidad y Áreas Protegidas-FUNBAP*) The Recipient's assembly of founders modified the Recipient's legal personality on December 19, 2006 as "*Patrimonio Natural- Fondo para la Biodiversidad y Áreas Protegidas*". This new legal personality was duly registered in Bogota, Colombia on December 21, 2006.

<sup>4</sup> US\$6.5M as counterpart funds from the debt-for-nature swap agreement signed with the U.S. government through the Tropical Forest Conservation Act.

funds are US\$ 1,265,230. US\$ 1 Million require matching funds. The Bank on behalf of the Government of Colombia requested the GEF to waive the co-financing requirement but this request was rejected on February 25, 2012 by the GEF.

8. *Patrimonio Natural* is actively working towards raising co-financing funds from different donors. *Patrimonio Natural* is also discussing with other Colombian governmental entities (*Ministerio de Ambiente y Desarrollo Sostenible, Ministerio de Hacienda y Crédito Público, Departamento Nacional de Planeación*) the possibility of a debt for nature swap to capitalize the Endowment Fund. Thus, *Patrimonio Natural* has requested an additional extension of the closing date to raise the co-financing funds needed for the disbursement of the GEF funds to the Endowment Fund. There is an action plan in place to complete the Project within this period.
  
9. This will be the second extension of the Project. The Project meets the following conditions: i) the implementation of the Colombian National Protected Areas Conservation TF Project and the performance of *Patrimonio Natural* are satisfactory; ii) the Project objectives continue to be achievable; iii) there are no outstanding audit, financial management, procurement, or safeguards issues; and, iv) neither this Grant in particular, nor Colombia in general, is subject to an ongoing suspension of disbursements. This request for an extension is the consequence of events beyond the control of the implementing agency.