



**Forest Carbon Partnership Facility (FCPF)
Carbon Fund**

Emission Reductions Program Idea Note (ER-PIN)

Country: Argentina

ER Program Name: Emissions Reductions in Subtropical Forests

Date of Submission or Revision: September 15, 2015

Disclaimer

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Guidelines:

1. The FCPF Carbon Fund will deliver Emission Reductions (ERs) from activities that reduce emissions from deforestation and forest degradation, conserve forests, promote the sustainable management of forests, and enhance forest carbon stocks in developing countries (REDD+) to the Carbon Fund Participants.
2. A REDD Country Participant interested in proposing an ER Program to the Carbon Fund should refer to the selection criteria included in the Carbon Fund Issues Note available on the FCPF website (www.forestcarbonpartnership.org) and to further guidance that may be communicated by the FCPF Facility Management Team (FMT) over time.
3. ER Programs shall come from FCPF REDD Country Participants that have signed their Readiness Preparation Grant Agreement, using this ER Program Idea Note ('ER-PIN') template.
4. The completed ER-PIN should ideally not exceed 40 pages in length (including maps, data tables, etc.). If additional information is required, the FCPF FMT will request it.
5. Please submit the completed ER-PIN to: 1) the World Bank Country Director for your country; and 2) the FCPF FMT (fcpfsecretariat@worldbank.org).
6. As per Resolution CFM/4/2012/1 the Carbon Fund Participants' decision whether to include the ER-PIN in the pipeline will be based on the following criteria:
 - i. **Progress towards Readiness:** The Emission Reductions Program (ER Program) must be located in a REDD Country Participant that has signed a Readiness Preparation grant agreement (or the equivalent) with a Delivery Partner under the Readiness Fund, and that has prepared a reasonable and credible timeline to submit a Readiness Package to the Participants Committee;
 - ii. **Political commitment:** The REDD Country Participant demonstrates a high-level and cross-sectoral political commitment to the ER Program, and to implementing REDD+;
 - iii. **Methodological Framework:** The ER Program must be consistent with the emerging Methodological Framework, including the PC's guiding principles on the methodological framework;
 - iv. **Scale:** The ER Program will be implemented either at the national level or at a significant sub-national scale, and generate a large volume of Emission Reductions;
 - v. **Technical soundness:** All the sections of the ER-PIN template are adequately addressed;
 - vi. **Non-carbon benefits:** The ER Program will generate substantial non-carbon benefits; and
 - vii. **Diversity and learning value:** The ER Program contains innovative features, such that its inclusion in the portfolio would add diversity and generate learning value for the Carbon Fund.

1. Entity responsible for the management of the proposed ER Program

1.1 Entity responsible for the management of the proposed ER Program

Please provide the contact information for the institution and individual responsible for proposing and coordinating the proposed ER Program.

Name of managing entity	Secretary of the Environment and Sustainable National Development
Type and description of organization	Government
Main contact person	Sergio Loruzzo
Title	Secretary of Environment and Sustainable Development
Address	San Martín 451 CABA Primer Piso
Telephone	5411 4348 8200
Email	sloruzzo@ambiente.gob.ar
Website	www.ambiente.gob.ar

1.2 List of existing partner agencies and organizations involved in the proposed ER Program

Please list existing partner agencies and organizations involved in the development of the proposed ER Program or that have executive functions in financing, implementing, coordinating and controlling activities that are part of the proposed ER Program. Add rows as necessary.

Name of partner	Contact name, telephone and email	Core capacity and role in the proposed ER Program
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ACTORS AT THE NATIONAL LEVEL		
Governmental Committee on Climate Change (CGCC)	Juan Pablo Vismara // tel: (54) (11) 4348-8665 // email: cambioclimatico@ambiente.gob.ar	The CGCC is responsible for inter-sectoral coordination, policies, and planning related to climate change. The CGCC is coordinated by the Climate Change Directorate (see below).
Climate Change Directorate, Subsecretary for the Promotion of Sustainable Development	Juan Pablo Vismara // tel: (54) (11) 4348-8665 // email: cambioclimatico@ambiente.gob.ar	The Climate Change Directorate is the focal point for communications related to climate change and coordinates the Governmental Committee on Climate Change.

<p>Secretary of the Environment and Sustainable Development (SAyDS)</p>	<p>Sergio Lorusso // tel. (54) (11) 4348 8200</p>	<p>The SAyDS designs and implements environmental policies and strategies at the national level. It assists the head of the Cabinet in the implementation and articulation of environmental measures with the other ministries and with the national public administration.</p> <p>The SAyDS heads the REDD+ Executive Committee (CDR).</p>
<p>Sub-secretary for Environmental Planning and Policy, SAyDS</p>	<p>Silvia Révora // tel: (54) (11) 4348-8254/8436 // email: SSPyPA@ambiente.gob.ar</p>	<p>The Sub-secretary is responsible for the design of natural resource policies and territorial planning.</p> <p>The Sub-secretary is also the REDD+ focal point and will be in charge of overall coordination of the REDD+ Preparation Operative Unit (UOP).</p>
<p>Forestry Directorate, Sub-secretary for Environmental Planning and Policy</p>	<p>Inés Gómez // tel: (54) (11) 4348-8392 / 8499 // igomez@ambiente.gob.ar</p>	<p>Under the Subsecretary for Environmental Planning and Policy, the Forestry Directorate formulates national policies and programs related to forestry protection, conservation, recovery and use. It coordinates forest monitoring via the Forestry Information Management Unit and is responsible for the implementation of Law 26.331 (Law of Minimum Budgets for the Environmental Protection of Native Forests). In concert with the provinces and regional institutions, the Forestry Directorate has established 5 regional forestry nodes that articulate the gathering and analysis of data related to forestry policies by the SAyDS and the provinces. Two of the nodes (the Chaqueño Park and Mision Forest) are relevant to the proposed ER Program.</p>
<p>Native Peoples Directorate</p>	<p>Roberto Ñancucho // tel: (54) (11) 4348-8583 // email: rnancucho@ambiente.gob.ar</p>	<p>The Directorate aims at generating government policies that guarantee the management of lands, territories and natural resources by indigenous peoples in line with their rights to direct their own development.</p>

<p>Ministry of Agriculture, Livestock, and Fisheries (MAGyP)</p>	<p>Secretary: Gabriel Delgado // email: sagyp@magyp.gob.ar // tel: 4349-2162/2168/</p>	<p>The MAGyP is responsible for the design and implementation of plans related to agriculture, livestock, forestry, and agro-industrial production, commercialization, and sanitary measures. The Production Forestry Directorate of the MAGyP promotes forestry plantations via economic and fiscal incentives, information, and technical assistance, and updates annually information related to forest plantations. .</p> <p>Agricultural policies of the MAGyP are coordinated with REDD+ via the Agriculture, Livestock, and Forestry Policies coordination unit of the UOP.</p>
<p>National Institute of Agricultural Technology (INTA)</p>		<p>Decentralized agricultural and forestry research and extension institution under MAGyP. To date, INTA has participated in the R-PP and REDD+ processes and will serve as a source of technical information and consultation for REDD+.</p>
<p>National Commission on Biodiversity (CONADIBIO)</p>	<p>Ing. Agr. Carlos A. Cattaneo // tel.: 011-4348-8200 (ext. 7166) // email: conadibio@ambiente.gob.ar</p>	<p>The objective of the CONADIBIO is to achieve consensus among stakeholders related to the formulation and implementation of national policies related to biodiversity including the conservation and sustainable use of biodiversity related goods, services, and traditional knowledge, and the just and equitable distribution of its benefits. Together with the CGCC, CONADIBIO will serve as one of the principal platforms for the implementation of REDD+ by the REDD+ Executive Committee (CDR) and the UOP and will be represented in the CDR.</p>
<p>Federal Council of the Environment (COFEMA)</p>	<p>Hugo Bilbao // email: cofema</p>	<p>COFEMA formulates methodological guidelines for the valuation of environmental services, promotes coherence among conservation categories, and is in charge of formulating instruments and regulations of the</p>

		National Fund for the Enrichment and Conservation of Native Forests.
National Parks Administration	Carlos Corvalán, Presidente // tel: +54 11 4311-0303	Maintains, develops, and manages conservation tools for the maintenance of biological and ecosystem diversity, natural and cultural patrimony, the protection of the habitat of endangered species, as well as the preservation, in a pristine state, of outstanding landscape features of Argentina.
National Forum of Native Peoples' Territory Organizations (ENOTPO)	Roberto Ñancucheo // Tel: (54) (11) 4348-8583 // email: rnankucheo@ambiente.gob.ar	<p>Constituted in 2009, ENOTPO is a forum for political coordination and articulation of indigenous organizations throughout Argentina. At present, it consists of 45 organizations representing 27 peoples and more than 1000 communities in 20 provinces.</p> <p>ENOTPO has developed a strategy for the consultation of indigenous peoples in Argentina within the framework of the REDD+ program and has participated throughout the formulation of the Readiness proposal, via discussions, workshops, and informational meetings.</p> <p>ENOTPO is also a possible recipient of REDD+ benefits.</p>
Institute of Indigenous Affairs (INAI)	tel: (54) (11) 4348-8434// email: indigena@inai.gob.ar	<p>INAI is a decentralized organization for indigenous participation, created in 1985 to assure the constitutional rights of indigenous peoples, and is the authority in charge of the implementation of policies affecting indigenous peoples.</p> <p>INAI is seen as an important source of information and consultation for the REDD+ process.</p>
Council for Indigenous Participation (CPI)	tel: (54) (11) 4348-8434// email: indigena@inai.gob.ar	The Council is a forum created by INAI, with representation of indigenous delegates from the entire country, elected by tribe and by province.

		<p>It participated in the initial consultations leading to the formulation of the Readiness proposal.</p> <p>CPI is a possible recipient of REDD+ benefits as well as a participant in the construction of the REDD+ strategy.</p>
The National Movement of Native Peasants		<p>The Movement is formed by 20,000 peasant and native farmers throughout Argentina via various provincial organizations and is principally oriented towards securing land tenure. The Movement has participated in the REDD+ consultation process and in information dissemination and are viewed as a potential recipient of REDD+ benefits.</p>
National Forum for Family Agriculture (FoNAF)	Miguel Angel Fernandez, President // tel: +54 (011) 4328-3033	<p>The FoNAF promotes policies favoring the production, sustainability, environmental protection, and self-sufficiency of small and medium-scale family farms. Various local organizations of FoNAP have participated in the REDD+ consultation process and in information dissemination and are viewed as potential recipients of REDD+ benefits.</p>
REDD+ Advisory Committee (CAR)	<p>Marisa Young eventos@fundacionagreste.org.ar, Office phone: (+54-11) 4813-2451 Cell Buenos Aires (+54 9 11) 54906452</p>	<p>The CAR is formed by representatives of scientific and technical institutions, NGOs, civil society, unions, organizations of indigenous peoples, and the private sector. It will assist and advise the UOP on technical, social, and environmental matters during the implementation of the Program and will provide linkages with civil society organizations.</p>
ACTORS AT THE REGIONAL LEVEL		
Ministry of Ecology and Renewable Natural Resources, and Tourism (MERNRyT), of the province of Misiones.	<p>Dr. Silvia Elizabeth Kloster, General Director of Climate Change and Sustainable Development. // email: silviaekloster@yahoo.com.ar // tel: +54 (0376) 447594 ext. 128</p>	<p>The mission of MERNRyT is to protect the natural resources and environment of Misiones. It serves as the provincial authority in charge of the application of norms related to protected areas and forests. Its principal areas of action include: Ecology and Sustainable Development, Land and Colonization,</p>

		<p>Native Forests, the Green Corridor (a system of interconnected protected areas), Land Use Planning and Zoning, and Climate Change.</p> <p>MERNRyT participated with SAyDS in the Regional REDD+ Consultation in Oberá in 2013 and also presented a preliminary proposal for a pilot REDD+ project for the province on the 13th and 14th of March, 2014 in a workshop also attended by SAyDS.</p> <p>MERNRyT is expected to have direct responsibilities for the preparation and management of the REDD+ program in Misiones.</p>
<p>Provincial government of the Chaco and the Sub-secretary of Natural Resources/Forest Administration</p>	<p>Dr. Luciano Olivares // email: olivares.luciano@yahoo.com.ar // cell: +54 (3624) 724808</p>	<p>Under the national constitution, the Chaco provincial government and the provincial Sub-secretary of Natural Resources are responsible for forests, and environment and natural resources at the provincial level. They are also responsible for the implementation of national programs by COFEMA (see COFEMA) at the provincial level.</p> <p>Both entities have participated in consultations and workshop organization during the development of the R-PP.</p>
<p>Council of Chiefs of the Mbya Guarani Nation, Misiones</p>		<p>The Mbya Guaraní Nation is composed of 94 communities spread across the province with a population of about 5,300 Mbya Guarani. Most of the members of this community live in the province. The Council of Chiefs has provincial legal recognition since 2005 and has political and administrative functions.</p> <p>To date, the Council of Chiefs has participated in regional consultation workshops and is active on issues directly relevant to a REDD strategy, including claims related to land rights and</p>

		productive development models and strategies.
National Peasant, Federation, Chaco		The National Peasant Federation is active in promoting access to land as well as social claims and is a potential participant in the REDD+ process.

It should be noted that all the ministry-level public entities mentioned have participated in the the Readiness proposal, particularly in the initial phase of the establishment of the activities of the REDD+ Working Group and the beginning of the formal consultation process. A sub-group of these entities in the areas of the environment, agriculture, and economy have participated throughout the REDD+ process.

2. Authorization by the National REDD+ focal point

Please provide the contact information for the institution and individual who serve as the national REDD+ Focal Point and endorses the proposed ER Program, or with whom discussions are underway

Name of entity	Secretary of Environment and Sustainable Development
Main contact person	Leandro Fernández
Title	Coordinator, National REDD+ Program
Address	San Martin 451, Buenos Aires, Argentina
Telephone	5411-4348-5484
Email	lfernandez@ambiente.gob.ar / leanfe1@gmail.com
Website	www.ambiente.gov.ar

2.1 Endorsement of the proposed ER Program by the national government

Please provide the written approval for the proposed ER Program by the REDD Country Participant's authorized representative (to be attached to this ER-PIN). Please explain if the national procedures for the endorsement of the Program by the national government REDD+ focal point and/or other relevant government agencies have been finalized or are still likely to change, and how this might affect the status of the attached written approval. ER Program) must be located in a REDD Country Participant that has signed a Readiness Preparation grant agreement (or the equivalent) with a Delivery Partner under the Readiness Fund, and that has prepared a reasonable and credible timeline to submit a Readiness Package to the Participants Committee

The UN Framework Convention's REDD+ focal point in Argentina is the Sub-secretary of Environmental Policies and Planning (SEPP), under the Secretary of the Environment and Sustainable Development (SAyDS) of the Prime Minister of the Cabinet. The SEPP is in charge of forestry policies in the country at the national level.

The SAyDS has prepared and endorses this Project Idea Note for the Emissions Reduction Initiative which will be carried out as part of the process of drafting and implementing the National REDD+ Strategy. Argentina's proposal to the Emissions Reductions Initiative represents the continuation of a process begun in 2010 with the participatory formulation of the REDD+ Readiness proposal (R-PP) and the work of the REDD+ Executive Committee, which includes Ministers of Agriculture and International Affairs. The Ministry of Economy and Public Finance, as the World Bank focal point in the country, is in charge of finalizing and approving all agreements between the World Bank and the Government of Argentina. In this, they are assisted by the Undersecretary for the Evaluation of Externally Financed Projects under the Prime Minister of the Cabinet.

2.2 Political commitment

Please describe the political commitment to the ER Program, including the level of support within the government and whether a cross-sectoral commitment exists to the ER Program and to REDD+ in general.

At the international level, Argentina's participation in the United Nations Framework Convention on Climate Change (UNFCCC) was ratified by Law 24.295, under which the country has assumed a series of international commitments related to climate change adaptation and mitigation, including REDD+. Presently, the country is in the process of defining its national contributions to the reduction of greenhouse gas emissions, which will be presented at COP21. Based on Argentina's Third National Communication to the UNFCCC, the forestry sector is considered both as the principal source of emissions as well as the greatest source of potential mitigation. The present proposal represents the largest national initiative for the mitigation of greenhouse gases to date.

At the national level, the Law of Native Forests (Law 26.331, also known as the Forest Law) is the basis for environmental and forestry policy and is the central and overlying norm under which REDD+ will be implemented. The Law created the National Program for the Protection of Native Forests, under the responsibility of the National Implementing Authority (SAyDS), and established a series of obligations at the provincial level related to the enrichment, restoration, conservation, use and sustainable management of native forests and ecosystem services (Table 1). The Law also created the National Fund for the Enrichment and Conservation of Native Forests (also known as the Forest Fund), whose object is to compensate the jurisdictions that conserve forests and their environmental services.

Under this Law, between 2009 and 2014 the GOA has invested approximately \$330 million in more than 4000 forest conservation and sustainable management plans on 20% of the native forests. In the proposed target areas (Chaco and Misiones Provinces), approximately \$15.5 million have been invested during the same period.

National projects and programs related to Argentina's commitment to REDD+ are shown in Table 1.

Table 1. National programs and projects relevant to REDD+.

Program or Project	Description	Annual Amount
National Program for the Protection of Native Forests	Created by Law 26.331. The objective is to further the measures necessary to promote the reforestation and the restoration of degraded native forests; forest conservation, restoration, and sustainable use; land use planning; the updating of information; and capacity strengthening of authorities.	\$1,500,000
National Fund for the Enrichment and Conservation of Native Forests	Created by Law 26.331. Its purpose is to compensate the jurisdictions that conserve forests and their environmental services.	By Law 0.06% of the national budget and 2% of the tax on commodity exports are assigned annually to the fund
Program of Non-Timber Forest Products	The Program's purpose is to gather, systematize and promote the adequate valuation of non-timber products (seeds, fruits, honey, medicinal plants, etc.) and their roles in development and sustainable forest management.	\$1,100,000
Model Forests National Program	The purpose of the Program is to stimulate the sustainable management of forest ecosystems via the construction of strategic alliances among key actors and joint action.	\$1,500,000
Social Forests Program	The Program is aimed at forest dwelling farmers and indigenous people.	Approx. \$5,000,000 annually
Establishment of Incentives for Conservation of Ecosystem Services of Global Significance	Pilot payment mechanism for ecosystem services that will facilitate the development of PES schemes at different scales aimed at ensuring the sustainability of ecosystems and their services.	\$4,509,000
Sustainable Forest Management in the Transboundary American Gran Chaco Ecosystem	The objective is to reverse the trend of land and forest degradation in the Gran Chaco through support for sustainable land management.	\$6,909,091
National Fire Management Service	Responsible for managing the national fire management plan	Approx. \$10,000,000 annually
Incorporation of the sustainable use of biodiversity in production practices of small farmers in order to protect biodiversity in high conservation value forests in the Atlantic Forest, Yungas and Chaco ecoregions	This initiative is synergistic with state environmental policies on sustainable use of biodiversity	\$ 4,000,000

Longstanding World Bank Partnership in the Forestry Sector

The World Bank has supported improved forest management in Argentina and worked closely with the Government of Argentina for the past two decades. Since 1995, the focus of the Bank's efforts has been on improving the design and implementation of public-financed forestry programs, helping to increase their effectiveness, efficiency, and inclusiveness. During this period, the focus has gradually shifted toward greater emphasis on secure access to natural resources and livelihood opportunities for vulnerable forest dependent communities.

The World Bank is uniquely placed to assist the GOA's proposed program to alleviate poverty by improving access to Forest Fund resources and encouraging sustainable forest and land management and climate resilient small-scale agriculture. The World Bank and the Food and Agriculture Organization (FAO) have a twenty-year working relationship in forestry conservation, agriculture and demand-driven sustainable development in Argentina. The proposed ER Project complements and builds upon a robust on-going program that includes: (a) the Sustainable Natural Resources Management Project (P100806); (b) the recently approved Reducing Emissions from Deforestation and Forest Degradation (REDD+) Readiness Preparation Grant (TF019086, P120414) that supports Argentina's efforts to mitigate climate change; and (c) the companion Rural Corridors and Biodiversity Project (GEF, P114294, pipeline) that protects vulnerable natural areas and conserves biological diversity including in the Chaco Ecoregion (Table 2).

Through the ongoing Sustainable Natural Resources Management Project (P100806; approved March 2008) the Bank has reinforced its working relationship with all three of the key institutions responsible for managing and protecting forest resources in Argentina including the Ministries of Agriculture (UCAR), Tourism (National Parks) and Environment (SAyDS). Support to forest-dependent communities living in productive forest landscapes and in National Parks was expanded and policies supporting the inclusion of indigenous communities in National Park management planning were adopted.

The Forests and Community Project (P132846) represents a continuation of the successful historic pro-poor engagement in the forestry sector and it will also strengthen the implementation of the Forest Law and improve the performance of the Forest Fund. Creation of the Forest Fund in Argentina has set an important international standard linking regular annual financing for sustainable forest management to international agricultural exports, but Fund performance must improve to ensure continued and expanded support at national and sub-national levels. This project will begin implementation in 2016 and will support investment in the ER Program jurisdictions.

The proposed ER program supports the World Bank Group's (WBG) twin goals of reducing extreme poverty and increasing shared prosperity in a sustainable manner. It will contribute to poverty reduction by targeting poor people in a poor region: indigenous and peasant populations, lower income producers, and isolated rural communities in the North of Argentina. Additionally, by piloting an approach to climate resilient production systems and improving access to incentive payments for forest management for smaller land-holders, the project will also provide a contribution to shared prosperity and sustainable development.

The proposed ER Program is also closely aligned with the Country Partnership Strategy (CPS) FY15-18 for the Argentine Republic (Report No. 81361-AR), discussed by the Executive Directors on September 9, 2014. The proposed Program is aligned with the CPS' strategic theme of "Reducing Environmental Risks and Safeguarding Natural Resources" and contributes to the CPS Result: "Improving natural forest cover in the Chaco Ecoregion"; and "reducing deforestation by 50 percent in critical areas in targeted provinces". The proposed Program is also aligned with CPS cross-cutting portfolio management indicators related to increasing the share of WBG financing directed to low-income geographic areas (through the focus on indigenous and peasant communities in Northern Argentina), governance (introducing systems to detect illegal felling and transport of timber), and gender (through gender mainstreaming and disaggregated data collection).

Table 2. World Bank programs and projects relevant to REDD+ in the country

Native Forests and their Biodiversity Project	The objective is to provide support to priority field-based experiences, mainly in the Chaco eco-region, and to the institutional strengthening of provincial governments, for implementation of the Law No. 26.331 (Minimum Budgets for the Environmental Protection of Native Forests) and its complementary norms.	\$3,700,000
Native Forests and Protected Areas Project	The Project's purpose is to assist the SAyDS in generating and implementing national forestry policy instruments as well as the creation of a framework of policies, laws, regulations, and norms for the improvement of the management and conservation of native forests, which will impact the implementation of the ER Program.	\$30,000,000
Sustainable Natural Resources Management Project	The project will strengthen three of the key institutions responsible for managing and protecting forest resources in Argentina including the Ministries of Agriculture (UCAR), Tourism (National Parks Administration), and Environment (SAyDS).	\$71,800,000
Forest and Communities Project	The Project's objective is to foster the sustainable development of forest communities in the two target provinces of the ER Program and to strengthen the implementation of the Forestry Law and improve the performance of the Forest Fund.	\$58,000,000
Rural Corridors and Biodiversity	Increase the protection of vulnerable natural areas and conserve biological diversity within Chaco Ecosystem	\$21,580,000
REDD+ Readiness	National REDD+ Strategy preparation	\$ 3,800,000

Provincial level

There are also significant financial commitments to REDD+ and the ER Program in the two target provinces (Table 3). These activities are expected to contribute significantly to forest conservation and emissions reductions expected under the ER Program.

Table 3. Forestry investments in Chaco and Misiones provinces.

Province	Project	Amount
Misiones	Forests and Communities Project, World Bank loan	\$58,000,000 (amount dedicated to ERP area is undetermined)
	Forest Law 26.331: Estimated Investments 2016-2023	\$8,000,000
Chaco	Forests and Communities Project, World Bank loan	\$58,000,000 (amount dedicated to ERP area is undetermined)
	Forest Law 26.331: Estimated Investments 2016-2023	\$12,000,000

It should be noted that the province of Misiones was the first sub-national government in Latin America with a ministry-level environmental and forestry institution (the Ministry of Ecology and Renewable Natural Resources, and Tourism - MERNRyT), created in 1988, and today it is the only province in the country with a developed institution at that level. The MERNRyT will have direct responsibilities for the preparation and management of the ER and REDD+ program in Misiones.

The province has a well-developed system of Protected Natural Areas that covers 778,662 hectares that comprises an arc of provincial parks, natural reserves, and a UNESCO Biosphere reserve. In addition, in 1999, provincial Law No. 3631 created the Special Unit for the Management of the Green Corridor. The Green Corridor seeks to assure the sustainable use and connectivity of 1.1 million hectares of forest found on private lands, provincial parks, provincial reserves, and protection forests in the upper watersheds in the province.

Unique among the provinces, Misiones also has the capacity to monitor its forests via the analysis of georeferenced satellite information, and has incorporated this information in key provincial government areas and programs such as land titling, real estate registration, and land use administration; it also provides services to the private sector. The provincial government also has a Program for the Protection and Sustainable Management of Native Forests with capacities for forest land use planning and zoning as well as for assuring the rights of indigenous peoples.

In the Chaco Province, policies and the institutionality of forest governance is less developed than in Misiones. The provincial government has established various norms related to forest conservation and use: Law No. 3.964 treats the preservation, conservation, defense, and improvement of the environment in order to maintain biodiversity and the quality of life; Law No. 4.076 specifically protects the Natural and Cultural Patrimony; Law 3.035 is related to soil management in order to conserve, maintain, and restore its productive capacity; Laws No. 3.534 and 5.285 modify Forestry Law No. 2.386 related to the defense, regeneration, improvement, and increase of productive forests; and Law 4.358 establishes the conservation and promotion of the most important and representative natural areas in the province. A system of forestry control exists, but conservation policies and activities are not well-developed. The Sub-Secretary of Natural Resources of the Ministry of Production of Chaco is designated as the competent authority for the application of this legal framework and for the land use planning and zoning of Native Forests in the province. In general, however, the incipient level of forest governance in the province implies that a more prolonged process of institution building is needed as compared to Misiones and that experiences from the latter can help accelerate this process in the Chaco.

Inter-sectoral coordination

Inter-sectoral coordination in support of the ER Program and REDD+ in general is evidenced by an inter-sectoral agreement recently signed by the Ministry of Agriculture, Livestock, and Fisheries and the SAYDS to promote sustainable forest use as an alternative to land use conversion. Under this agreement, the National Plan for Integrated Forest and Livestock Management aims at assuring that the use of native forests by livestock conforms to criteria for ecological, social, and economic sustainability, in accordance with Forest Law 26.331. This agreement will contribute to an integral approach by the State to agricultural and forestry development and forms the basis for further cooperation related to decreasing forest conversion caused by the expansion of soybean cultivation.

3. STRATEGIC CONTEXT AND RATIONALE FOR THE ER PROGRAM

3.1 Brief summary of major achievements of readiness activities in country thus far

Please briefly provide an update on REDD+ readiness activities, using the component categories of the R-PP as a guide. If public information is available on this progress, please refer to this information and provide a link.

The principal progress on REDD+ Readiness to date includes the following activities:

- The establishment of a joint operational unit between the FCPF and UNREDD led by the National Coordinator and a Technical Coordinator. The unit currently is composed of an administrator and specialists in communications and knowledge management, stakeholder engagement, indigenous peoples, and the technical link with UNEP, UNDP and FAO.
- The National Plan for Integrated Forest and Livestock Management, mentioned above.
- Agreement on the SESA work plan that incorporates a common approach to safeguards and serves as a reference for work in this area by the FCPF and UNREDD. Data gathering and other studies related to SESA have been initiated, with priority given to the two target provinces of the ER Program.
- SIS: studies on the analysis of gaps and challenges in the legal and institutional framework related to safeguards are expected to be completed in the coming months. Additionally, a roundtable on safeguards will be established at the national level in order to i) provide a space for dialogue and participation for civil society and scientific/academic organizations around themes such as biodiversity and conservation, environmental law, indigenous rights, and forests and climate change and their relationship with REDD+ safeguards; ii) formulate recommendations to the Project Operative Unit (UOP) and the REDD+ Advisory Committee (CAR) related to how the GOA should treat and implement REDD+ safeguards; and iii) provide scientific, technical, social, and legal information related to REDD+ safeguards in Argentina.
- The establishment of a REDD+ public information portal that includes information on forestry, safeguards, and the programs and projects financed under the Forestry Law, as well as other REDD+ related activities.
- The implementation of 40 consultations and workshops related to REDD+ that include the participation of approximately 1000 persons from more than 100 civil society and indigenous organizations from all of Argentina's eco-regions. This information is being processed in order to produce a detailed map of actors of forest communities.
- Various advances in relation to the Protocol for the Consultations of Indigenous Peoples, including agreements on producing a joint work plan by July, 2016 that includes REDD-related adjustments in the protocol and the scheduling of 4 informative and training workshops aimed at indigenous communities.
- The formulation of the terms of reference for the REDD+ Advisory Committee (CAR) and a work plan aimed at initiating and implementing eco-regional CARs. It is expected that by the first semester of 2016 three regional meetings will have been held to formalize the representatives of the eco-regional sectoral roundtables and the two delegates to the national roundtable.
- Several studies of importance to REDD+ are being carry out: 1) a study of the opportunity costs of REDD+ that estimates the opportunity costs and resources flow expected under REDD+ will be completed during the first semester of 2016; 2) modeling of future temporal-spatial scenarios of deforestation are expected by November 2015; 3) a work plan and methodological framework for studies of drivers of deforestation and forest degradation by eco-region, and the role of the private sector in the same, are expected in November 2015; 4) the formulation of low carbon strategy for land use by the end of 2016.
- Reference Levels: a team of eco-regional experts is being contracted in order to develop reference levels. Progress has been made in formulating a draft of the historical reference level at the national level and the final product is expected to be presented to the UNFCCC in 2016.

3.2 Current status of the Readiness Package and estimated date of submission to the FCPF Participants Committee (including the REL/FRL, REDD+ Strategy, national REDD+ monitoring system and ESMF).

The current status of the Readiness Package and future activities are shown in Table 4 and the timeline for completing and submitting the Readiness Package is shown in Figure 1. The mid-term report on the Readiness Package is expected to be submitted in the second semester of 2016, while the complete version of the Package is expected for the second semester of 2017, which coincides with the estimated submission date of the ERPD. During this period, Argentina is expected to solicit \$5 million in additional funds to formulate the REDD+ strategies and strengthen the capacities of the six key provinces under REDD+, two of which are target provinces of the ERP.

Although there have been delays in the signing of the initial donation agreement for \$3.8 million, the recent alignment of Argentina with the World Bank’s country strategy and the renovated institutional partnership in the forestry and agricultural sectors are indications that the problems causing delays in the signing of the agreement have been resolved.

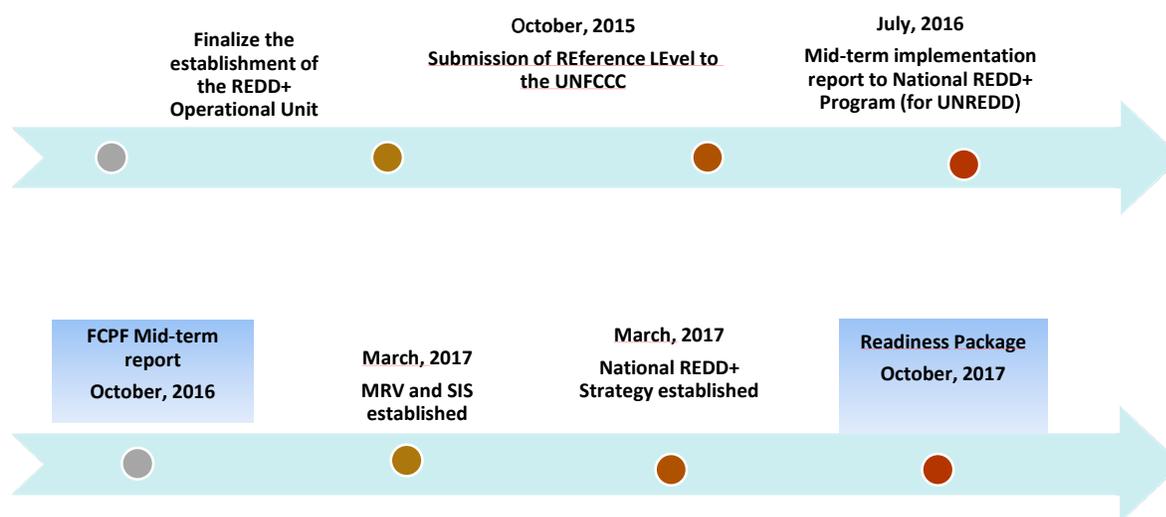
The timeline and Table presented below summarize the current status of the Readiness Package and the major steps and landmarks related to its completion.

Table 4. Current status and goals of the Readiness Package.

Component	Present Status	2015 Goals	2016 Goals
Reference Level	Gather historical information and discuss with experts	-1st draft based on historical data submitted to UNFCCC	-Adjust and refine the reference level based on feedback from the UNFCCC and the incorporation of recent data. -Incorporate projections based on external conditions.
National System of Forest Monitoring - (MRV)	-Basic functions established (monitoring of forest cover and forest inventory)	-Protocol for monitoring forest degradation in critical areas - Establishment of the GHG Inventory Unit for the USCUS sector	- Institutionalization of MRV
Safeguards	- SESA work plan agreed upon and validated - Analysis of risks and legal and institutional framework for the application of safeguards - Preliminary definition of methodological guidelines for the ESMF.	-Preliminary guidelines for the establishment of SIS - Establishment of an expert group on safeguards - Pilot Grievance Mechanism established -Preliminary guidelines for the ESMF -Assessment of land tenure and resource rights	- SIS established - SESA finalized - ESMF established - Grievance mechanism established
National Strategy	Strategic guidelines and studies defined	Technical inputs and studies finalized	Strategic options established

	Evaluation of financial instruments begun	Financial mechanism options formulated	Pilot of financial mechanism for benefit distribution
	Public information platform established	Establishment of the registry of forest conservation and management projects and programs, including REDD+	Public information platform finalized, including a registry of the processes of consultation and participation

Figure 1. Timeline for completing and submitting the Readiness Package.



3.3 Consistency with national REDD+ strategy and other relevant policies

Please describe:

- How the planned and ongoing activities in the proposed ER Program relate to the variety of proposed interventions in the (emerging) national REDD+ strategy.
- How the proposed ER Program is strategically relevant for the development and/or implementation of the (emerging) national REDD+ strategy (including policies, national management framework and legislation).
- How the activities in the proposed ER Program are consistent with national laws and development priorities.

The focus of the ER-PIN is directly derived from the emerging National REDD+ Strategy, since it targets the two highest priority eco-regions, the Chaco and the Atlantic forests, and two (Chaco and Misiones) of the six highest priority provinces for REDD+. Misiones also has one of the country's highest carbon densities.

The three strategic pillars of the ER Program (financial incentives/disincentives, land governance and use, and forest management) are also aligned with the principal interventions of the emerging National REDD+ Strategy and are based

on improving the implementation of the current forestry institutional and legal framework, especially Forest Law 26.331 and the National Fund for the Enrichment and Conservation of Native Forests, the forestry components of SAyDS, the implementation and monitoring capacities of the Misiones and Chaco provincial governments, and the sustainable production of forestry and agricultural producers.

The results of the ER Program will be strategically relevant for the emerging national REDD+ strategy, since they represent high priority geographic areas within that strategy. As an early application of the principal interventions contemplated by the national strategy, the ER Program also will help identify key factors and processes that will guide and facilitate the future implementation of the strategy at a broader scale.

Finally, the ER Program is directly aligned and will strengthen the effectiveness of national forest policies, especially the strengthening of the Forest Law and the National Fund for the Enrichment and Conservation of Native Forests. The Program will also contribute to Argentina's international commitments to climate change, and will be included within Argentina's INDC proposal for the COP21. It is also aligned with the Argentine government's policies of poverty reduction and the incorporation of peripheral geographical areas into national development, since the ER Program and REDD+ in general will contribute to poverty reduction in the Chaco and Misiones provinces (see Section 5.1 for comments on Argentina's current strategy to incorporate peripheral provinces into national development).

4. ER Program location and lifetime

4.1 Scale and location of the proposed ER Program

Please present a description and map of the proposed ER Program location and surrounding areas, and its physiographic significance in relation to the country. Indicate location and boundaries of the proposed ER Program area, e.g., administrative jurisdiction(s).

There are five provinces in northern Argentina (Chaco, Salta, Santiago del Estero, Misiones and Formosa) that contribute to more than 80% of deforestation at the national level; they also have some of the highest levels of poverty and unmet basic needs in the country. These provinces are the main geographical focus of the National REDD+ Strategy and the main focus of the international cooperation agenda, according to United Nations Development Framework (UNDAF) for development priorities.

In the most critical areas of deforestation, approximately 80% of the population are indigenous people and 30% of the households have unsatisfied basic needs. These communities are disproportionately dependent on forest products for their livelihoods, since their livelihoods are frequently subsistence-based. Eight out of ten rural households in these areas use wood or charcoal to cook their food, accounting for more than 50% of the total fuelwood consumption in the country.

The two target provinces, Misiones and Chaco, are sub-national jurisdictions and are included within the REDD+ National Strategy priority provinces. They are located in northern Argentina, but are geographically separate and differ in their environmental and socioeconomic characteristics. Misiones province is highly representative of Atlantic forest eco-region (dark green in Figure 2) and the Chaco province is representative of the Chaco eco-region (bright green in Figure 2).

Misiones and Chaco were selected as candidate provinces for the ER Program as a result of a study of critical areas with large amounts of forest, high deforestation rates, and a high proportion of dwellers in forest communities, that was undertaken in the context of the "Forests and Communities" project financed by the World Bank. Both are also critical areas identified by the Argentina-World Bank Country Partnership Strategy, since both provinces are

characterized by a high rates of deforestation and a high proportion of poor and marginalized populations; they are also aligned with the CPS' strategic theme of "Reducing Environmental Risks and Safeguarding Natural Resources" and contribute to the CPS Results: "Improving natural forest cover in the Chaco Ecoregion"; and "reducing deforestation by 50 percent in critical areas in targeted provinces".

The principal justification for the selection of these provinces are the following:

Chaco:

- Representative of the Chaco eco-region which is the second largest forest formation in South America after the Amazon and the location of the majority of deforestation in Argentina;
- The importance of agricultural commodity production (soybeans and livestock) as a principal driver of deforestation provides an opportunity with high learning value for combatting a key issue of global concern;
- Recent rates of deforestation are above the average for the Chaco eco-region;
- High proportion of poor and marginalized forest-dwelling populations;
- The wide range in the use and opportunity cost of forest lands in Chaco creates a unique setting for testing the suitability and viability of deforestation mitigation measures under varying socioeconomic conditions;
- High priority under the National REDD+ Strategy.

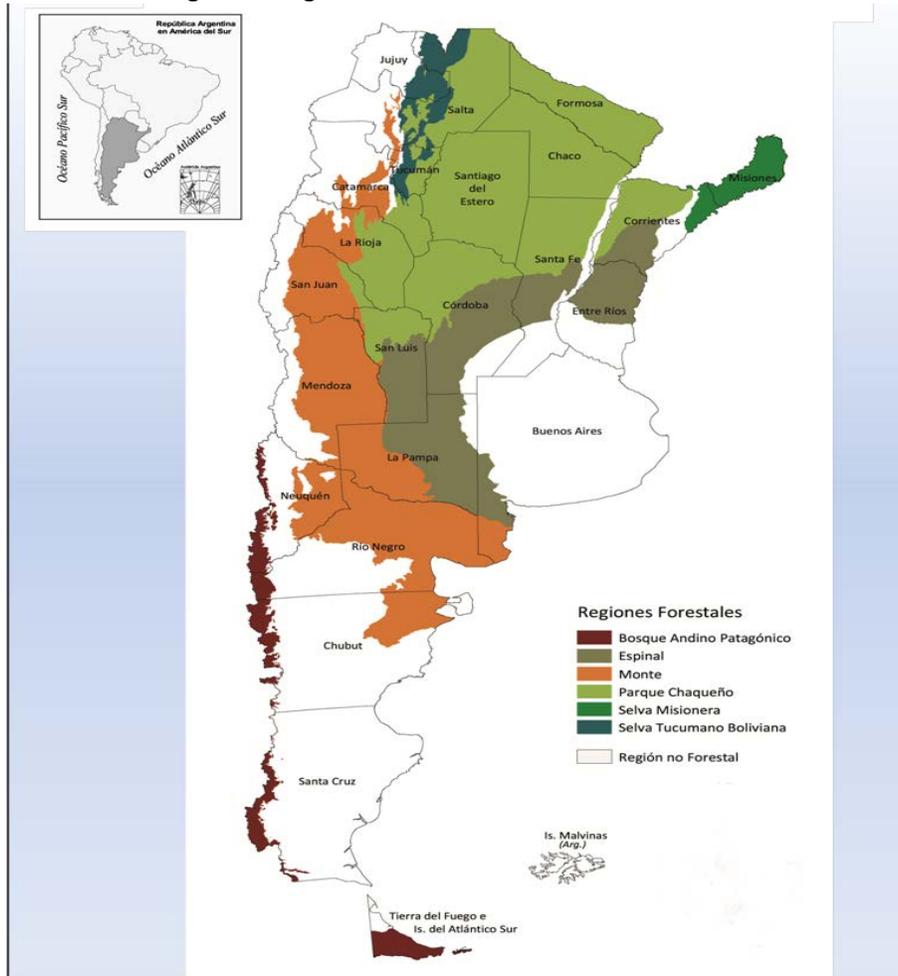
Misiones:

- Largest remnant of the endangered and highly biodiverse Atlantic forest;
- An environmentally conscious population and a provincial government in the vanguard of forest protection;
- High proportion of poor and marginalized forest-dwelling populations;
- High priority under the National REDD+ Strategy;
- A positive trajectory in relation to the reduction of deforestation from formerly high rates;
- Presents the opportunity to establishment a tri-national South-South program focused on the Atlantic forests and to serve as a paradigm for REDD+ implementation for South America

These provinces taken together represent the majority of the interventions contemplated in the National REDD+ Strategy. They also share a common sub-national development agenda and results from these provinces are expected to have extended impacts to other provinces in northern Argentina, in the case of Chaco, and to Brazil and Paraguay in the case of Misiones.

The target areas are also complementary in that they balance the challenges and risks of achieving the emission reduction goals, since Chaco is characterized by a high degree of uncertainty related to reducing soybean expansion, while in Misiones a real possibility exists to achieve zero net deforestation. At an institutional level, Chaco can benefit from the experience, capacity, and lessons learned from Misiones, while Misiones can learn from the Chaco regarding new dynamics and threats originating from large-scale commercial agriculture. Differences between Misiones and Chaco related to the trajectory and drivers of deforestation, institutional arrangements, capacities, and support for forest conservation provide additional opportunities for learning related to the implementation of REDD+ under a federal system of government. Finally, the Program and the large scale of the jurisdictions involved, similar to the size of small countries, represents the most important REDD+ initiative in the country and serves as an example of the marshalling of cross-sectoral involvement, financial commitment, and the early involvement of key actors, such as the private sector.

Figure 2. Forest formations or regions in Argentina.



Chaco Province

The Chaco eco-region is the most important forest region in the country and Chaco province well represents the characteristics of that eco-region (see Figure 2 for the location of the bright green area of the Chaco eco-region and Figure 3 for forests in Chaco province, where the darker green colors represent forests). There are about 4.5 million ha of forests in Chaco province. They are mainly deciduous and xerophytic and are approximately 20 m in height. In the landscape, they alternate with scrub, grasslands, and palms. They have high biodiversity and predominant genres include: *Schinopsis* (quebracho colorado), *Prosopis* (algarrobos), *Aspidosperma* (quebracho blanco), and *Bulnesia* (palosanto).

The Chaco province is has a flat and alluvial relief, with a slight northwest-southeast inclination that results in meandering waterways. The majority of the soils are clays, which combined with the flat relief, impede drainage and result in the formation of semi-permanent areas of standing water. The southern part of the province has the highest degree of flooding and is the area with the lowest economic potential. The major economic activities are extensive cattle raising. In the north and west of the province, the Impenetrable Forest occupies almost all of the territory and is presently being affected by the expansion of the agricultural frontier.

The climate of Chaco province is semi-tropical. Temperatures can be extreme: the minimum and maximum temperatures recorded are -10 °C and 55 °C, respectively. Summers are very warm and the winters are temperate. Rainfall distribution is uneven, alternating between periods of drought and others with high rainfall. Due to the influence of moisture laden winds from the Atlantic, the eastern part of the province receives more rainfall than the west; average rainfall in the east exceed 1500 mm annually. Proceeding towards the west, the climate becomes more continental, with greater temperature extremes and less rainfall (about 600 mm annually in the extreme west), especially during winter, which is characterized by a marked dry season.

Misiones Province

The Atlantic forest eco-region in Argentina is found only in Misiones province, but extends into Brazil and Paraguay. Formerly extensive, its range has been reduced by 93%, making it one of the most threatened eco-regions in the world. Due to prolonged isolation from other tropical forests in South America, these forests are characterized by unique vegetation, with a high proportion of endemic or endangered flora and fauna. The target area has about 1.1 million ha of forests which represent the majority of these forests in NE Argentina (see bright green area in Figure 2 and the darker green areas in Figure 4).

Misiones is the wettest province in the country and its climate is humid tropical without a dry season. Average annual rainfall is 1500 mm. Within the province, the southern lowlands and the valleys of the Paraná and Uruguay rivers have a humid semi-tropical climate, while the higher elevations have a tropical maritime climate similar to a humid sub-tropical climate. In recent years, deforestation has been linked to an increase in flooding.

A summary of the characteristics of Chaco and Misiones provinces is shown in Table 5

Table 5. Summary characteristics of Chaco and Misiones provinces.

Province	Principal characteristics	Similar Provinces
Misiones	<p>Geography: Moderately dissected lowlands</p> <p>Climate: humid tropical</p> <p>Migration: mainly from Brazil and Paraguay that result in deforestation</p> <p>Indigenous population: 54 Mbguarani communities</p>	None in Argentina. Some frontier zones in Paraguay and Brazil are similar.
Chaco	<p>Geography: Lowlands</p> <p>Climate: Humid and dry semi-tropical</p> <p>Migration: None of any relevance</p> <p>Indigenous population: Wichí, Qom, Vilela and Tonocoté.</p>	Santiago del Estero, Salta, Formosa

Figure 3. Map of the forests and deforestation of Chaco province.

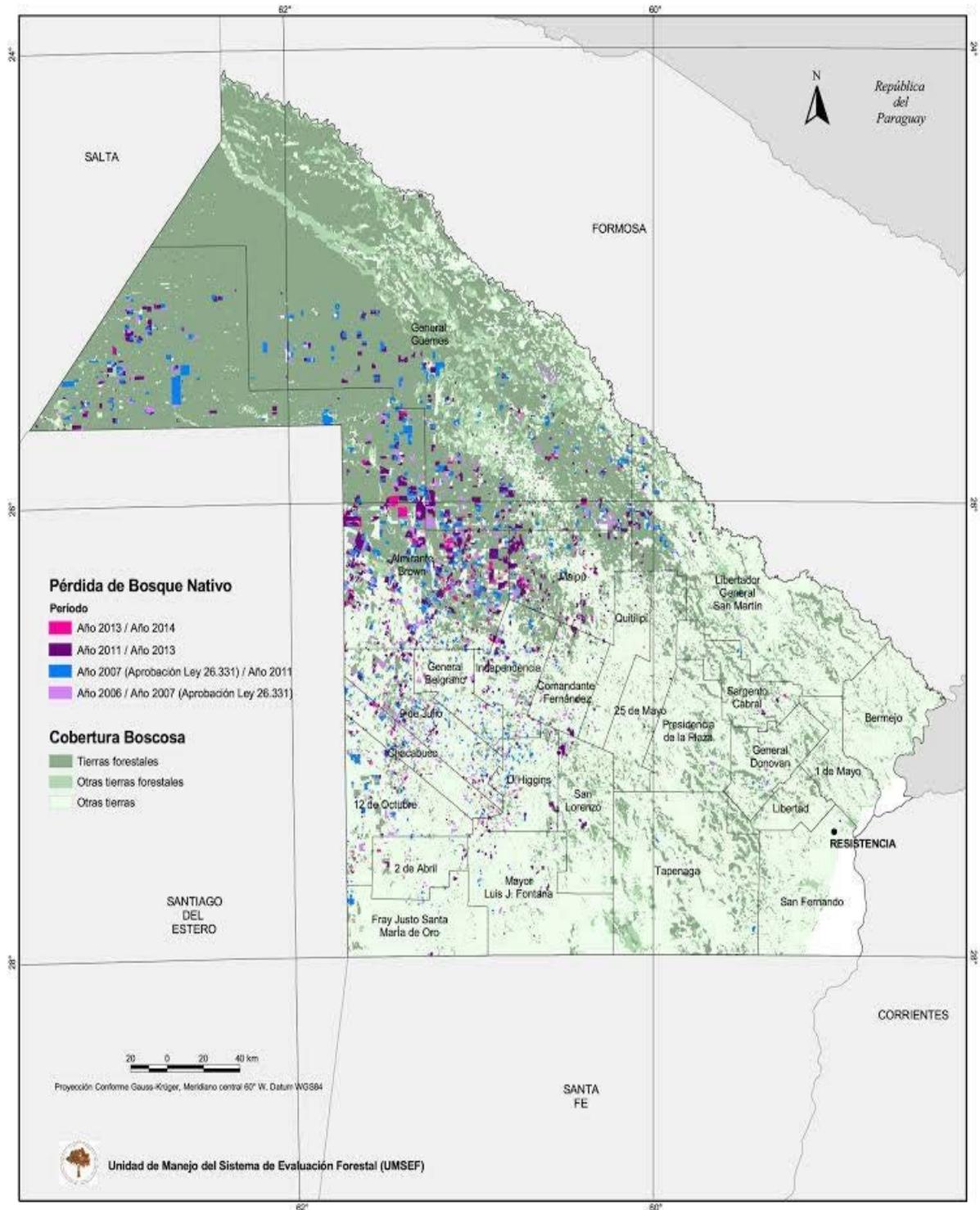
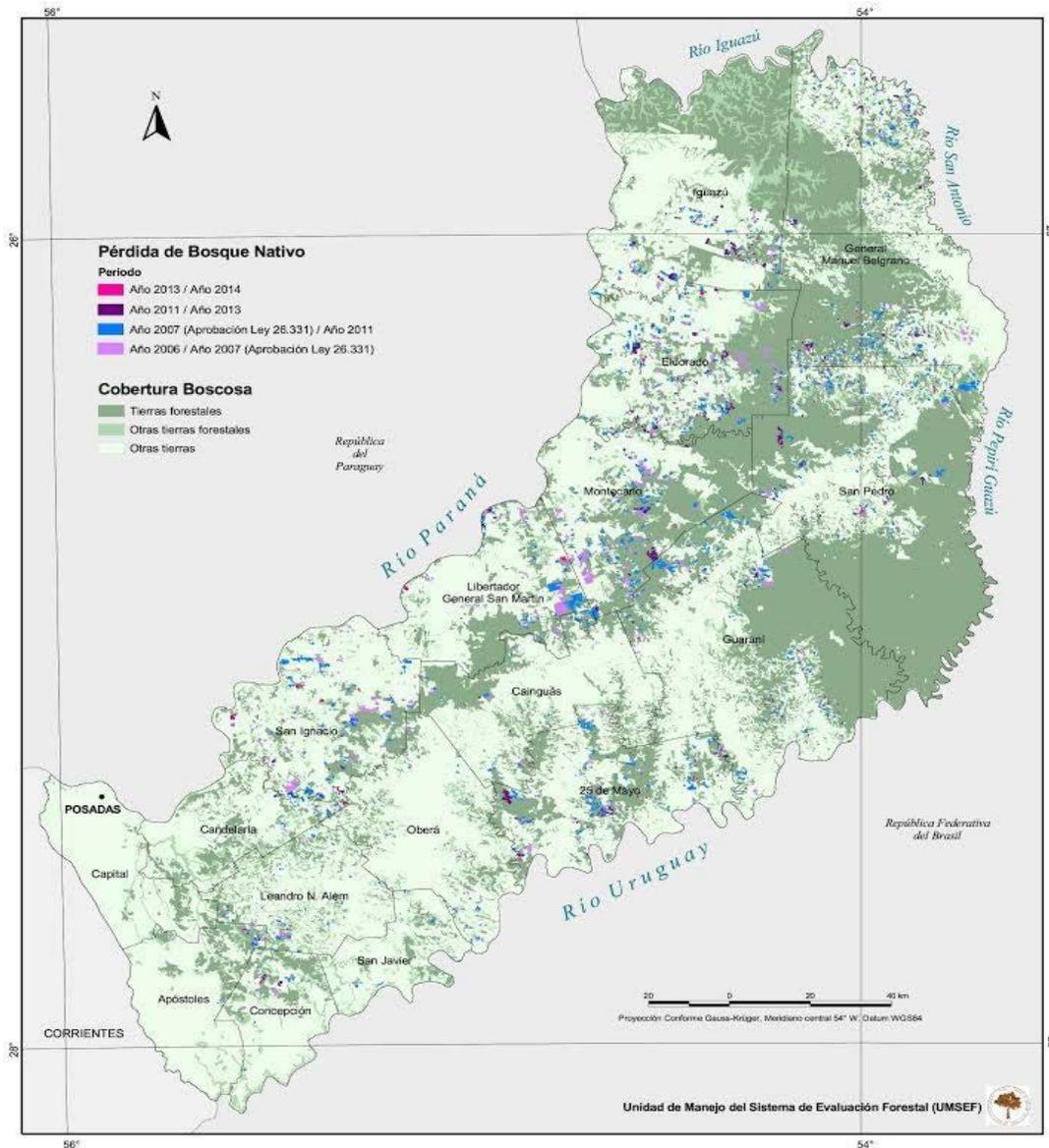


Figure 4. Map of forests and deforestation in Misiones province.



4.2 Expected lifetime of the proposed ER Program

Please describe over how many months/years the proposed ER Program will be:

- prepared; and
- implemented (including expected start date of the proposed ER Program).

It is estimated that the ER-Program Document (ERPD) will be prepared during the second semester of 2016 and that its review and approval, as well as the finalization of the financial plans of the program, will occur during the second semester of 2017. In parallel, it is expected that the MRV system, the reference level, SIS, and the national REDD+ strategy will be completed during the second semester of 2017 and that the R-Package will be submitted in the second

semester of 2017 (Figure 1). As a result, implementation of the ER-Program is expected to begin in 2018 and will run for 5 years, until 2023. In the case that carbon financing is available for more than one five-year period, the expected lifetime of the ER Program will be extended and can be potentially expanded to other provinces in the rest of the country.

5. Description of activities and interventions planned under the proposed ER Program

5.1 Analysis of drivers and underlying causes of deforestation and forest degradation, and conservation or enhancement trends

Please present an analysis of the drivers, underlying causes and agents of deforestation and forest degradation. Also describe any policies and trends that could contribute to conservation and enhancement of carbon stocks. Please distinguish between both the drivers and trends within the boundaries of the proposed ER Program, and any drivers or trends that occur outside the boundaries but are affecting land use, land cover and carbon stocks within the proposed ER Program area. Draw on the analysis produced for your country's Readiness Preparation Proposal (R-PP) and/or Readiness Package (R-Package).

Causes of deforestation and forest degradation

Soybean expansion

The principal driver of deforestation in Argentina is expansion of the agricultural frontier caused by large-scale commercial agriculture, particularly soybeans. The cultivated area under soybeans has increased during the last 40 years, especially since the decade of the 1990s, as the result of the adoption of a new agricultural production model based on large-scale production of export commodities. Soybeans are now the principal crop of Argentina, in both cultivated area and total production. In a period of 15 years, between 1988/89 and 2003/04, soybean area increased from 4.6 to 14.2 million ha (19 million ha in 2011) and production increased seven times, from 6.5 million tons to 34.8 million tons. The area dedicated to soybean has increased at an average annual rate of 2% in recent years, in large part on marginal lands, driven by high international prices.

Various underlying factors stimulated the conversion of forests to soybeans: an increase in the scale and the availability of investment capital associated with the appearance of soybean consortia and new financial linkages; the increased globalization of commerce and overall demand and prices of soybeans; technological change, such as the introduction in 1996 of the genetically modified soybean variety, *Roundup Ready (RR)*, as well as the increased use of herbicides, fertilizers, machinery, minimum tillage and direct seeding; an increase in rainfall associated with climate change; and macroeconomic factors such as the devaluation of the Argentine currency in 2002. Increases of 20% - 30% in historical rainfall levels have eliminated a principal environmental limit to soybean expansion on the drier plains and have increasing the productivity and profitability of soybean production in formerly marginal areas such as the Chaco eco-region. It should be noted that in response to the greater profitability of soybeans, the government has established an export tax ("retention") of 35% on soybean exports.

An additional agriculturally related driver of deforestation that may become more important in the future is the increasing demand for biofuels. In 2006, the Argentine government approved a law for the development of biofuels and has signed various agreements to stimulate their production. These types of developments need to be better oriented into to avoid negative environmental impacts. The potentially contradictory policy signals favoring soybean production on the one hand and taxes on soybean exports on the other need to be analyzed further.

Livestock

A major part of the native forests are also affected by livestock use of varying intensity, ranging from extensive communal grazing in forests to intensive models that result in the rapid conversion of forests to savannas and

grasslands. This impact is expected to increase in the future, according to the goals and indicators of the Food and Agroindustry Strategic Plan for 2010 – 2016 (PEA2) and other statistics for the agriculture/livestock sector (SENASA, CONICET).

It should be noted that soybean expansion did not come at the expense of livestock. During 2002 – 2010, herd size and stocking rates also increased, as soybeans displaced livestock to other areas and into forests. As a result, there is a tendency for stocking rates in native forests to increase, with unknown impacts on sustainability. In many of these systems, the forest understory is selectively eliminated by heavy machinery, which has an inalterable impact on the remaining forest or represents a step towards the complete elimination of the forest. Current practices also consider the planting of exotic pasture species in native forests as an “improvement” with unknown consequences for local forest ecology and biodiversity.

Forest fires

Forest fires are an important cause of deforestation and forest degradation. According to statistics from the network of informants of forest fires (provincial Forest Services, National Parks Administration, Civil Defense, Voluntary Firemen, and the police), during 2011, 283,420 ha were affected by fires, of which 57,806 ha corresponded to forests. Twenty-two percent of the fires were due to negligence, 41% were intentionally set, 4% had natural causes, and 33% were of undetermined origin.

The number and impact of fires has increased in recent years due to the high demand and clearing of land for agriculture and livestock raising. As a response, the country has implemented a National Fire Management Plan to prevent and combat fires in natural environments. In 2009, a law was also passed that requires the provinces to manage fires in rural areas, as an essential component of ecosystem conservation. Nevertheless, these measures are insufficient, and a need to continually strengthen the program is foreseen, by facilitating the incorporation of technological tools and increasing the vigilance, prevention, and management of forest fires. Other disincentives or sanctions for intentionally set fires should also be considered.

Overexploitation of forest resources

Historically, Argentina’s forests have been selectively exploited or “creamed”, in the absence of forest management plans, resulting in various degrees of damage and degradation and leaving forest remnants of low value. This situation has worsened with the expansion of livestock grazing in forests.

A lack of institutional coordination and policy alignment has resulted in few controls on forest use. Moreover, forests are administered by various public authorities at different jurisdictional levels, which makes the coordination of forest planning and implementation difficult. Diagnostic studies carried out in 2010 in 12 provinces, including Chaco province, noted general deficiencies in human and material resources at different levels, as well as limited capacities of effective control and administration along the forest products value chains.

Infrastructure Development

The development of the Argentine national territory has historically depended upon the articulation and integration of national production and the economy to international markets, with beneficial effects for some areas, but detrimental effects on others where there was little capacity to forge these links.

In recent decades, globalization and the structural adjustment of the Argentine economy has generated a major change in the structure of production, which in turn has resulted in changes in social norms and values, an increase in social disruption, and the accentuation of the existing, profound disequilibrium in the development of the national territory, whereby some urban areas have a high demographic concentration and level of development (especially Buenos Aires), while the rest of the country is relatively depopulated and under-developed. For example, the central regions (Buenos Aires metropolitan area and surrounding grasslands) concentrate 75% of the agricultural and

industrial capital of the country, the mass of the labor force, and most of the scientific/technological capacity, while the periphery has undergone a vicious cycle of decline, thus amplifying the gap between these areas. Within this context, complementation among regions has disappeared and has been replaced by a process of urbanization that results in the depopulation of the poorer and more rural regions, and the forested areas of the country in particular.

In the last decade, the government has attempted to combat this trend and has assumed a role as an arbiter between the need for economic growth via the inclusion of the country in global commodity markets, and the need to develop formerly neglected regions and communities in order to guarantee the future sustainability of the national territory. The latter has brought about increased investment in roads, electrification, gas pipelines, and other productive infrastructure in forested areas, which has exerted greater pressure on the forests and poses a growing challenge for forest conservation.

Interactions among drivers

Dynamic interactions exist among the principal drivers of deforestation: soybeans, livestock, fires, and firewood harvests. Soybean expansion has resulted in the direct conversion of forests to agricultural use and an increase in forest degradation due to the displacement of livestock production into more marginal areas and forests. Fires are often used as a land-clearing tool and purposely or accidentally burned areas are often converted to agriculture. Firewood harvests and the extraction of other wood products also increase in previously impacted areas and in zones near to rural settlements, resulting in areas that are even more degraded and more susceptible to the risk of fires.

Deforestation in the target areas

In the two target provinces, average annual deforestation in Chaco increased between 2002 - 2013 from 31,873 ha/y to 53,572 ha/y, but decreased in Misiones from 15,603 ha/y to 2,807 ha/y during the same period (Table 6). The average annual deforestation for the entire period is 36,656 ha/yr in Chaco province and 9,307 ha/yr in Misiones. Nevertheless, average annual rates of deforestation in both provinces between 2002 and 2013 are similar, 0.76%.

Table 6. Average annual deforestation (ha/y) in Chaco and Misiones provinces.

Period	Chaco			Misiones		
	Annual deforestation (ha/yr)	Forest at the beginning of the period (ha)	Average annual deforestation rate	Annual deforestation (ha/yr)	Forest at the beginning of the period (ha)	Average annual deforestation rate
2002-2006	31,873	4,939,466	0.65%	15,603	1,212,460	1.29%
2006-2011	33,718	4,811,975	0.70%	6,871	1,150,048	0.54%
2011-2013	53,572	4,643,385	1.15%	2,807	1,115,693	0.25%
Annual average	36,656		0.76%	9,307		0.76%

Chaco Province

Most deforestation in Argentina takes place in the fragile Chaco eco-region (Figure 2), where Chaco province is located. Between 2006 and 2011 more than 1.5 million ha of natural forest of this eco-region were destroyed, with conversion to agriculture and uncontrolled (often illegal) forest exploitation causing deforestation at an annual rate of 1.2%.

At present, Chaco province has about 4.5 million ha of forest. Between 2002 and 2013, the annual rate of deforestation in Chaco province has increased from 0.65% to 1.15%; the latter figure is above the average for the Chaco eco-region. The municipalities with the greatest deforestation in the most recent period (2011-2013) are Almirante Brown (17,263 ha) and General Guemes (15,442 ha), and account for about two-thirds of deforestation in the province. Figure 3 shows that deforestation (purple denotes deforestation during 2011 – 2013 and bright pink between 2013 and 2014) continues in these municipalities despite the implementation of the Forestry Law, largely due to weak inter-institutional coordination and inefficient use of funds provided by the Forestry Law.

Similar to the Chaco eco-region, deforestation in Chaco province is caused by the expansion of the agricultural frontier driven by increased soybean and livestock production in concert with fires and over-exploitation of forest resources.

Soybean expansion has resulted in the direct conversion of forests to agricultural use and has also displaced livestock production into more marginal areas and forests, thus causing forest degradation and deforestation. In the Chaco province, soybean expansion is occurring in the southern part and western border of the forested areas within the province (Figure 3). Agricultural expansion is associated with a concentration of land holdings by large land owners. A study of recently deforested areas of the province determined that in these areas the number of farms between 100 and 500 ha and under 100 ha in size decreased and the number of large land holding increased.

Fires are often used as a land-clearing tool and purposely or accidentally burned areas are often converted to agriculture. Firewood harvests and the extraction of other wood products also increase in previously impacted areas and in zones near rural settlements, resulting in areas that are even more degraded and more susceptible to the risk of fires. The occurrence of fires in the province is the third highest in the country and is associated with the conversion of burned areas to agriculture. During 2011, 8,848 ha of the province, included 2,526 ha of forests, were affected by fires. A commission for Fire Management, involving various provincial ministries, has been created to prevent and contain fires.

Livestock production in Chaco province is carried out on 7,436,404 ha. Productivity varies widely, depending on agroecological conditions and management practices employed. In the western part of Chaco province, in the forest area known as the Impenetrable forest which accounts for 52% of the livestock area at the provincial level, livestock, nutrition, and sanitary management are basic and production is low, accounting for only about 10% of production by the province. This suggests that ample scope exists for increasing livestock productivity and forest conservation by intensifying livestock production from already deforested areas.

Selective logging, followed by other extractive activities, such as the harvest of firewood and posts, is also an important process resulting in forest loss in the province, especially near rural settlements, and can eventually cause severe forest degradation and the establishment of scrubland. The provincial government estimates an annual rate of forest extraction of 1.2 million tons/yr. Between 800 – 1500 forest permits affecting more than 100,000 ha are authorized annually and informal or illegal forestry activities are estimated to represent a minimum of 20% of the formal activities, equivalent to an estimated volume of another 240,000 tons/yr. A diagnostic study of Chaco province in 2010 noted general deficiencies in human and material resources at different levels of governance, as well as limited capacities of effective control and administration along the forest products value chains.

Deforestation in the target areas – Misiones Province

Approximately 37% of the area of Misiones (2.96 million ha) is forest (about 1.10 million ha in 2013). The annual deforestation rates for Misiones were high (1.29%) during the period 2002 – 2006, but have decreased greatly to 0.25% in the period 2011 – 2013 as shown in Table 6 and in Figure 4 (purple denotes deforestation during 2011 – 2013 and bright pink between 2013 and 2014) and suggests that deforestation has decreased due to the application of the Forestry Law and effective governance at the provincial level. To date, Misiones province still accounts for 60% of the non-fragmented remnants of the Upper Paraná Atlantic Forests. Combined with the adjacent forests of Brazil and Paraguay, this geographic region accounts for 80% of the non-fragmented area of Atlantic forest.

A historical driver of deforestation in Misiones province has been land clearing for forest plantation establishment, supported by government subsidies in the 1950s and 1960s, but is longer important. More recently, shifting agriculture of tea, yerba mate, and tobacco, and unsustainable logging on the agricultural frontier, has attained prominence.

These drivers are compounded by the economic inviability of fragmented family farms (less than 25 ha) caused by population growth, the absence of alternative forms of sustainable land use, and invasion of forested lands by small, resource-poor farmers from Brazil and Paraguay and landless farmers from within Argentina. An underlying factor of deforestation associated with the latter is the fact that by clearing the land, the invaders of these lands acquire certain rights with time, which in turn, acts as an incentive for more invasions.

The low value of forest production compared with commercial agriculture and taxes on forests also provide disincentives for forest conservation.

5.2 Assessment of the major barriers to REDD+

Please describe the major barriers that are currently preventing the drivers from being addressed, and/or preventing conservation and carbon stock enhancement from occurring.

The principal barriers to the reduction of deforestation are weak governance and macroeconomic conditions related to agriculture. Deficits of governance translate into a weak ability to control the legality of forest operations, forest use, and land use in general, and even less so when international prices for agricultural commodities are high. Institutional barriers also play major role in the lack of coordination of sectoral policies, especially with respect to agricultural policies and the control of agricultural land use.

Macroeconomic barriers include high international prices for soybeans that increase the gap between the opportunity costs of agriculture vs. forestry, thus promoting deforestation or stimulating the displacement of livestock raising into forest areas. High international prices have also increased the power and organization of soybean interest groups that can block or ignore negotiations aimed at arriving at a consensus for action related to REDD+, a characteristic of groups with a high BATNA (Best Alternative to a Negotiated Agreement).

The presence of inappropriate incentives also favor the conversion of forests to agriculture. These include similar tax rates for forest and agricultural land, the inability to use forest land as loan guarantees, and incentives associated with the biofuels program. For example, under Law 26.093 (*Regulation and Promotion of the Production and Use of Sustainable Biofuels*), passed in 2006, the Government obligated that biofuels be added to commercial diesel and gasoline and at the same time favored biofuel production by imposing lower taxes on biodiesel exports (13.2%) compared to other agricultural products and sub-products (e.g. 32% for soy oil, 35% for soy, 23% for wheat). These measures have significantly increased soybean production at the expense of the forests.

The existence of subsidies for agriculture disaster relief (floods or droughts) can also be a barrier to avoiding deforestation, since they provide incentives to farmers to bring higher risk marginal areas into production.

5.3 Description and justification of planned and ongoing activities under the proposed ER Program

Please describe the proposed activities and policy interventions under the proposed ER Program, including those related to governance, and justify how these activities will address the drivers and underlying causes of deforestation and forest degradation and/or support carbon stock enhancement trends, to help overcome the barriers identified above (i.e., how will the ER Program contribute to reversing current less sustainable resource use and/or policy patterns?)

The principal interventions of the proposed ER Program address the principal drivers of deforestation and can be grouped into three strategic pillars: 1) economic incentives/disincentives in order to promote sustainable land use and reduce deforestation; 2) improved land governance and use; and 3) improved control of forestry activities. The objective is to develop coherent policies, programs, and activities that act upon the drivers of deforestation and/or forest degradation, and apply specific incentives or reduce disincentives in order to neutralize the causes of deforestation.

It should be noted that although all interventions may be applicable to both target provinces, interventions in Chaco province will emphasize reducing deforestation and forest degradation due to soybean and livestock expansion, whereas interventions in Misiones province will focus on promoting and improving the sustainability of forest and agricultural production systems. In both provinces, the use of incentives/disincentives and improvements in the governance and use of land are contemplated, but their relative importance differs between the provinces.

Due to the importance of soybeans as a driver of deforestation and forest degradation in Chaco, the interventions there will mainly focus on land use planning and enforcement and the formation of alliances with sustainable soybean or livestock producers, with a secondary emphasis on sustainable forest management. Due to the relatively underdeveloped environmental and forestry institutionalities in the Chaco, these measures must necessarily be accompanied by institutional strengthening. This situation creates an opportunity to transfer experiences and lessons learned from Misiones to Chaco.

In Misiones, there will be a comparatively greater emphasis than in Chaco province on the use of incentives at multiple levels to promote forest conservation, and the strengthening of the sustainable production capacities of agricultural and forestry producers.

The cornerstone of this strategy is Forest Law 26.331 (Law of Minimum Budgets for the Environmental Protection of Native Forests, 2007), since it provides a framework for controlling deforestation, promoting land use planning and zoning (Ordenamiento Territorial de Bosques Nativos - OTBN), implementing sustainable forest management, and strengthening collaboration between the national and provincial forest administrations. This law also establishes a Forest Fund to compensate the jurisdictions that conserve forests and their environmental services. Creation of the Forest Fund in Argentina has set an important international standard linking regular annual financing for sustainable forest management to international agricultural exports, but Fund performance must improve to ensure continued and expanded support at national and sub-national levels.

Financial incentives/disincentives

A central pillar of the interventions proposed by the ER Program is the improvement of the efficiency, transparency, and impact of the Forest Law and the Fund for the Enrichment and Conservation of Native Forests (Forest Fund), and the implementation of the Green Municipalities incentive program. Translating the Forest Law into action requires

broadening access to Forest Fund resources as well close coordination between national, provincial and local level stakeholders to improve Fund performance. The recent GoA decision to remove restrictions requiring formal tenure to access Forest Fund resources has generated an opportunity to increase the share of fund resources flowing to poor people (particularly indigenous peoples and peasants) who were previously excluded due to their unclear tenure status. Furthermore, the 2013 Auditor General review of the Forest Fund highlighted improved access for indigenous people to resources and institutional coordination among national, provincial and local actors as key to improving Forest Fund performance.

Since implementation of the Fund is still under development, an important objective in the two target provinces is to establish pilot mechanisms aimed at establishing a clear, agile, and transparent financial mechanism that will compensate activities that avoid or reduce deforestation. Specifically, the Program will i) develop criteria and systems to strengthen the application of incentives foreseen by the Law in order to protect forests and maximize their impact on the reduction of deforestation and forest degradation and carbon capture, and ii) design a framework for incentives aimed at promoting sustainable productive activities carried out by small and medium sized producer as well as indigenous forest communities.

At the same time, opportunities will also be sought to complement the Fund with other incentives for sustainable, productive activities that reduce the pressure on forests. These may include different financial options based on public investments, as well other joint funding mechanism such as results-based payments. As part of the preparation of the national REDD+ strategy, a preliminary analysis of these options and their impact on reducing deforestation is being carried out. This analysis involves a detailed evaluation of the costs and benefits, as well as the technical and political feasibility, of the interventions. Expected outcomes include viable legal and institutional financial models that will be presented to public authorities for their validation.

In addition to Law 26.331, in the two target provinces, the Program will implement the pilot Green Municipalities Program at the municipal level, which will provide rewards and disincentives related to deforestation and a monitoring system to evaluate the impact and efficiency of these measures. The Green Municipalities Program is important because it serves as a mechanism to incorporate local governments into the ER Program and to try out locally important interventions, thus complementing the efforts undertaken at the provincial level. Participation in the program will be dependent on the formulation of deforestation reduction goals. Incentives/disincentives will vary based on current rates of deforestation and the classification of deforestation risk. Municipalities with high current rates of deforestation and high risk of deforestation in sensitive areas will have limited access to agricultural subsidies and other incentives provided by the national government, while municipalities with low rate of deforestation will be able to access these as well as the incentives specific to the Green Municipalities Program.

Land use planning, zoning, and control

The ER Program will apply five tools to improve land use planning, zoning, control and management: Forest Law 26.331, Article 8 of the General Law of the Environment, the Community Sustainable Livelihoods Program, the Green Municipalities Program, and a potential alliance with organizations for the sustainable production of soybeans and other commodities.

The joint implementation of both the Forest Law and Article 8 are relevant for land use policy, planning, and control and are critical for achieving diversified and sustainable use of lands within a landscape or territory. Law 26.331 provides the basis for land use planning and the use of incentives to reduce deforestation and increase sustainable land use, while Article 8 will be used to align territorial administration with development policies and objectives, particularly to reduce the expansion and concentration of land holdings by large soybean growers.

The land use planning guidelines and conservation categories specified in the Forest Law will be used to formulate specific plans to reduce forest loss in local jurisdictions. Potential measures under the Forest Law include the following:

- Strengthen the land use planning, control, and supervisory capacities of local and provincial governmental authorities.
- Normalize and formalize land tenure, including conflict resolution mechanisms.
- Improve the capacity to formulate and implement environmental and land using planning.

A thorough evaluation of the applicability of Article 8 of the General Law of the Environment, which includes territorial environmental planning and zoning (OAT) as an environmental policy and management instrument, is also on-going. Article 8 will be used to provide disincentives to the large-scale concentration of territory and to promote the consolidation of family-based agriculture and sustainable landscapes. Potentially useful instruments include:

- Progressive land taxes on land holdings by sole owners or businesses.
- Establishment of limits on the size of land purchases, depending on the ecological zone.
- Creation of land policies that improve access to land and the formalization of situations of irregular land tenure, thus increasing the opportunities for investments in improved productivity by reducing uncertainty and risk.
- Limitations of subsidies that promote indirectly deforestation (e.g. subsidies for disaster relief in agriculturally marginal areas, transport subsidies, reduced taxes on small producers).
- Instruments that favor sustainable land management and the recovery of degraded lands.

Another instrument for improving sustainable land use is the Community Sustainable Livelihoods Program focused on improving the livelihoods of small forest producers and promoting sustainable forest landscape management in the ER area program through: 1) Integrated Community Plans, 2) Natural Forest Management by Civil Society, and 3) Skills Development and Technology Transfer.

Integrated Community Plans include: (i) the preparation of Integrated Community Plans (“PICs”) in forest communities based on forest landscape management planning, mapping, and consultations, and the identification and design of activities to be included in PICs; (ii) the implementation of PICs and associated technical assistance related to the preparation of forest management plans; the implementation of more productive and sustainable agricultural and livestock management techniques; forest and agricultural product processing and packaging; land tenure strengthening activities and pilots; and the installation of alternative energy and wood energy systems, including improved wood stoves and improved charcoal kilns. Forest management plans prepared under this component will be considered for certification and financing under the Project and/or under the national Forest Fund created by the Forest Law 26.331.

The Natural Forest Management by Civil Society component of the Community Sustainable Livelihoods Program is a national forest and climate awareness campaign to expand and maintain support for the implementation of the Forest Law through the establishment and/or expansion of existing community radio stations in approximately fifty locations to distribute information locally (in Spanish and/or in native languages) on sustainable natural resources management, climate resilience and indigenous rights.

The Skills Development and Technology Transfer component of the Community Sustainable Livelihoods Program will finance the strengthening of technical and management skills of: (i) indigenous and peasant community members; (ii) small forest producers; and (iii) technical service providers and extension agents working in the Program area, through the provision of short training courses including both classroom and community level instruction and the financing of scholarships. The training delivered under this component will focus on project related topics such as: sustainable forest management, improved production, climate resilient agricultural and livestock production, added value activities, and securing land tenure. Short training courses will be delivered through both classroom and community

level instruction. Classroom instruction will be delivered to both community members and staff and others involved in project-related service delivery. Instruction of service providers will include sharing experience among RDA and implementing agencies across provinces, improving communication with local communities, accessing land tenure services, and accessing funds for sustainable forest management.

The Green Municipalities Program mentioned above will also include specific strategies for improving land use governance such as: land-use zoning; improved enforcement and compliance with environmental legislation; sustainable finance and management of indigenous and protected areas; the promotion of alternatives of sustainable production for local actors; technical assistance and promotion of alternative livelihoods; the restoration of degraded lands; and increased economic opportunities.

Finally, the ER Program will reach out to the organizations of sustainable soybean, livestock, and other commodity producers to explore with them the possibility to jointly promote sustainable production strategies. Contacts with the Responsible Soybean Roundtable have been initiated and a representative participated in the initial workshop of the UN-REDD sponsored REDD+ preparation program for Argentina in July. Contacts with groups such as the Consumer Goods Forum and the Tropical Forest Alliance for the sustainable production of livestock and other commodities will also be initiated.

Forestry management and control

Besides the use of economic incentives/disincentives and the improvement land governance and use, a third pillar of the overall strategy is the strengthening the control of forestry activities, within the framework of the Native Forests and Communities Project of SAyDS. Potential activities include the establishment of a System of Administration, Control, and Verification of Forest Products (SACVEFOR), especially their traceability. The Project has reached agreement with 5 provinces in the Chaco eco-region, including the Chaco province, to develop a system of traceability that guarantees the legal origin of forest products, assures that productive activities do not result in deforestation and forest degradation, and contributes to sustainable forest management. This Project is in the process of being implemented.

Cross-cutting activities and inter-sectoral coordination

Forest monitoring, information sharing, and capacity strengthening activities cut across the three pillars mentioned above. Forest monitoring includes the mapping of currently deforested areas, deforestation risk, high priority areas for intervention, and the monitoring of future deforestation. Monitoring outputs will be used to determine the payment of incentives as well as the assessment of the effectiveness of land governance interventions and will form an important input into information-sharing strategies.

Information-sharing strategies will ensure that information is efficiently gathered, stored, and processed and that it is made freely available to appropriate stakeholders in a transparent fashion. Such information will provide a basis for improved decision making as well as for strengthening the capacities of producers, trainers, technical personnel, the private sector, and governmental authorities.

Given the diversity of the proposed interventions and the nature of the most important drivers of deforestation, inter-sectoral coordination, especially with the Ministry of Agriculture, at the national and provincial levels will be necessary. At the national level, this role will be performed by the SAyDS. An example of inter-sectoral coordination with the Ministry of Agriculture is the National Plan for Integrated Forest and Livestock Management which is being applied at the provincial level and will be strengthened during the Program (see section 2.2). It will also serve as a model for inter-sectoral coordination aimed at other drivers of deforestation, such as soybeans. At the local level, inter-sectoral coordination will mainly be carried out by the UOP in concert with the local REDD+ Advisory Committees) (CAR) or roundtables.

5.4 Risk/benefit analysis of the planned actions and interventions under the ER Program

Please explain the choice and prioritization of the planned actions and interventions under the ER Program identified in 5.3 taking into account the implementation risks of the activities and their potential benefits, both in terms of emission reductions and other non-carbon benefits.

The planned actions and interventions under the ER Program are based on already existing legal and institutional frameworks and are aimed at improving their implementation or broadening existing capacities; this strategy should reduce the overall risk related to implementation.

Improved land governance and use

Given the economic power behind soybean expansion, the most effective interventions are likely to be improved land use governance and policies, since it will be difficult to find alternative, sustainable production systems based on forests that are competitive with soybeans. These interventions are framed within a broader context focusing on social equality and the reduction of social vulnerability via the just and equitable distribution of benefits, since forested areas have the highest poverty indices in the country. A major risk related to improved land use and governance are changing political and macroeconomic conditions at the national level and those affecting agriculture exports at the global level. In the context of soybean, these risks are more important for the Chaco as compared to Misiones. Section 10 mentions international commodity prices, the peso/dollar exchange rate, and tax withholding on exports (retentions) as the principal risks related to reversals. Macroeconomic conditions that favor soybean production and export are apt to reduce the impact of improved land use governance and use on reducing deforestation and forest degradation. In this context, coordination with the Ministry of Agriculture and alliances with organizations of sustainable soybean producers and groups such as the Consumer Goods Forum would gain importance as a counterweight to the processes driving soybean expansion.

In areas where the pressure of soybean production is less (e.g. Misiones), improved land use governance and policies will be combined with the strengthening of sustainable forest and agricultural management capacities by smallholders in order to improve and stabilize these systems. Although Misiones has a long history of being in the vanguard of environmental conservation in Argentina, the risks of changes in policies or funding levels there could affect the implementation of the law, the implementation and enforcement of land use planning, and the capacity building of institutions and producers. Improving the implementation of Law 26.331 could partially mitigate this political risk.

Economic incentives/disincentives in order to promote sustainable land use and reduce deforestation

The above mentioned improvement of the Forest Law and the Fund for the Enrichment and Conservation of Native Forests (Forest Fund) is a pillar of the ER Program. Full implementation of the Fund will allow the efficient application of incentives aimed at forest owners and users in key areas where those incentives are likely to be successful, taking into consideration opportunity costs as well as cultural and other factors. Translating the Forest Law into action requires broadening access to Forest Fund resources as well close coordination between national, provincial and local level stakeholders to improve Fund performance. The recent removal of restrictions related to non-formal land tenure generates an opportunity to increase the share of fund resources flowing to poor people.

A significant risk of relying heavily on the Forest Fund for incentives is the continuation of delays in its full implementation, taking into account that to date disbursements have been below those anticipated by the Law. An important objective is to establish pilot mechanisms aimed at establishing a clear, agile, and transparent financial mechanism that will compensate activities that avoid or reduce deforestation (See section 5.3).

In addition to Law 26.331 and its Fund, in the two target provinces, the Program will implement pilot the Green Municipalities Program at the municipal level that will provide rewards for reductions in deforestation and a monitoring system in order to measure the impact and efficiency of these incentives (See section 5.3). A principal risk associated with the implementation of this Program is the lack of capacity to access these funds on the part of the

municipal governments. In order to mitigate this risk, training and outreach programs aimed at assisting the formulation and implementation of proposal by the municipalities will be developed.

Improved control of forestry activities

Potential activities within the framework of the Native Forests and Communities Project of SAYDS include the establishment of a System of Administration, Control, and Verification of Forest Products (SACVEFOR), especially their traceability. The Project has reached agreement with 5 provinces in the Chaco eco-region, including the Chaco province, to develop a system of traceability that guarantees the legal origin of forest products, assures that productive activities do not result in deforestation and forest degradation, and contributes to sustainable forest management. This Project is in the process of being implemented (See section 5.3).

A control program based on ensuring traceability of forest products risks emphasizing inspections at road checkpoints and product sources and underestimating other important factors such as sound planning and management of the resource. This risk will be addressed by strengthening the capacity of the provincial forest organizations involved in these activities, as well as their monitoring and supervision capacities, through other mechanisms such as the REDD+ National Program and the provisions of Forest Law 26.331.

Finally, climate change poses another risk affecting both interventions, but perhaps more so in the Chaco than in Misiones, due to the wetter climate in the latter. Increases in rainfall have played a role in shifting soybean production into formerly marginal forested areas, particularly in the Chaco.

Socioeconomic and environmental risks will be better clarified as a result of the SESA process.

6. Stakeholder Information Sharing, Consultation, and Participation

6.1 Stakeholder engagement to date on the proposed ER Program

Please describe how key stakeholder groups have been involved in designing the proposed ER Program, and summarize issues raised by stakeholders, how these issues have been addressed in the ER Program to date, and potential next steps to address them.

Key stakeholder groups have been included as part of the early REDD+ Readiness consultation process carried out by SAYDS, regarding the local causes of deforestation and the potential mitigation activities. The inputs from stakeholders from the Chaco and Misiones provinces form the basis of the present ER-PIN.

The consultations have included two different purposes and two different types of stakeholders. On the one hand, expert consultations considered technical themes related to Program objectives and priorities and the identification of principal actors, and included academic and research institutions, government functionaries, and civil society leaders.

These consultations were complemented by workshops in different localities of the provinces with actors potentially affected by REDD+ or potential benefit recipients (e.g. indigenous communities, local communities, and small farmers), as well as the representatives of the private sector frequently linked to the causes of deforestation, such as logging enterprises, large farmers, and project developers. A total of approximately 150 persons participated in the workshops and included cross-sector participation.

The results of the consultations included the preliminary identification of the direct and indirect drivers of deforestation and forest degradation in the provinces as well as a list of strategic proposals in order to counter these

tendencies. These proposals, as well as potential interventions, will be evaluated in greater detail during the preparation of the ER Program proposal.

Variability in the composition and number of participants in the workshops as well as the social and environmental particularities of each province resulted in differences in the quality and depth of discussion and the results obtained. Nevertheless, relevant points from consultations in the provinces are mentioned below.

Misiones Province workshops

1. Oberá, Misiones Province

The workshop achieved widespread multi-sectoral participation that included authorities from provincial and local governments. Discussions emphasized the wide range of factors involved in deforestation and forest degradation, their linkage with the social milieu, for example, in the case of tobacco, the principal social risks in relation to the cultural and ethnic diversity of the province, and migration to the area from Brazil and Paraguay. Activities underway or in the design phase were discussed and analyzed. The importance of linking the program with the application of the Forestry Law, agricultural programs (colonization), and ecotourism was emphasized.

2. Posadas, Misiones Province

This workshop emphasized the discussion of potential REDD+ activities and programs with provincial and local authorities and other actors. A work plan for specific activities in each micro-region of the province was formulated and potential social and environmental questions that should be considered in the proposal for the Green Corridor were mapped. In summary, the principal geographic zones and their particular set of problems were identified.

3. “Design of the REDD+ program in Misiones province”

During this workshop, basic REDD+ concepts and the possible steps toward developing a provincial REDD+ strategy, including social and environmental aspects, were explained. The workshop included a field visit and encounter with rural actors (i.e. forest dwellers and communities) that enabled a more refined analysis of the principal causes of deforestation and forest degradation in the province and related environmental and social risks. Progress of the Program related to the identification of co-benefits at the provincial levels and possible priority areas based on high multiple benefits was presented.

Chaco Province workshops

Resistencia, Chaco Province

The workshop was aimed at peasant and indigenous communities. Results emphasized the need to improve communication mechanisms and tools in order to facilitate a multicultural community dialogue. The sub-valuation of forest and their services was identified as a principal obstacle, as well as the lack of integration between traditional knowledge and current technologies and practices of soil use.

Other inputs

Besides workshops, the formulation of the ER Program has incorporated various observations and commentaries from the report on civil society organizations that resulted from REDD+ consultations begun in 2009, as well as suggestions from representatives of the Ministry of Agriculture, principally the concern of civil society organizations related to the application of the Forest Law, the concepts and activities related to REDD+, and the mechanisms for participation in the preparatory phase of the program.

In relation to the observations of the indigenous organizations and the peasant communities, special attention has been paid to suggestions regarding information diffusion and communication. As a result, printed and audiovisual material used in the activities of the Participation Plan are now produced in indigenous languages in a non-technical style and incorporate respect for the cosmovision of the Chaco and Misiones communities. Additionally, the protocol

for consultations presented by the organizations of indigenous peoples, via ENOTPO, has been adapted for use by the ER Program and for REDD+ in general.

Finally, the results of the consultations have been fed back into the consultation process in order to improve the future applications and assure the effective and informed participation of all actors.

6.2 Planned outreach and consultation process

Please describe how relevant stakeholder groups will participate in further design and implementation of the proposed ER Program and how free, prior and informed consultation leading to broad community support for the ER Program and key associated features, including the benefit-sharing arrangement, will be ensured. Please describe how this process will respect the knowledge and rights of Indigenous Peoples and local communities, by taking into account relevant international obligations, national circumstances and laws.

The participation of the relevant stakeholder to date in the design of the ER Program in the Chaco and Misiones has been based on, and will continue to be based on, the Plan for the Involvement and Participation of Actors of the National REDD+ Program, which seeks to create a transparent framework for articulation with the Forest Law.

The SAyDS will head up the mechanism for inter-sectoral coordination (see section 7.1) and will be the principal coordinator and conductor of the consultation process. SAyDS will articulate with pre-existing platforms and institutions that will help in facilitating or guiding the process, such as Land Use Planning of Native Forest (OTBN), the Federal Council of Planning and Territorial Zoning (COFEPLAT), agriculture and forestry fora, and the platforms established by NGOs. Additionally, the REDD+ Advisory Committee (CAR) will collaborate in workshop organization and invitations and will be in charge of systematizing the resulting consultations. It will also advise the Project Operative Unit (UOP) on technical, social, and environmental aspects during the design of the projects and the implementation of the ER Program. The CAR is formed by representatives of scientific and technical institutions, NGOs, civil society, unions, organizations of indigenous peoples, and the private sector.

The principal objective of the next phase will be to extend and deepen the initial process of consultation in the target provinces in order to review the relevancy of the planned interventions, establish agreements for their implementation, and advance in the formulation of a benefit distribution plan. New key actors in this process are the representatives of the organizations for the sustainable production of commodities.

The benefit distribution plan is in an incipient design phase, but will be based on the National Fund for the Enrichment and Conservation of Native Forests, established by the National Forestry Law, whose objective is to compensate jurisdictions that conserve forests and their ecosystem services. Under this Law, 70% of the fund are assigned to titled landowners who conserve native forest and 30% to local (provincial) authorities in order to i) develop and maintain native forest monitoring and information systems, and ii) programs of technical and financial assistance to improve the sustainability of productive activities developed by small producers and indigenous and peasant communities. The design and definition of the details of this system will depend upon consultation with a variety of stakeholders.

In order to ensure that all stakeholders are informed and ready to participate, REDD+ and ER Program-specific information (related to reference level, the forest monitoring system, the Forest Law, climate change, sustainable land use) that corresponds to the reality of each province and the needs of the different actors, will be produced and disseminated.

Consultations at the level of the provincial governments will be carried out via closed meetings with governors and representatives of the Ministry of Ecology, Natural Renewable Resources, and tourism (MERNRyT), the Ministry of Agro and Production, and the Provincial Office of Guarani Affairs in the case of Misiones; and with functionaries of the Forestry Office of the Sub-Secretary of Natural Resources and the Environment and the Ministry of Production

which houses agricultural affairs, in the case of Chaco. In parallel, at least one provincial REDD+ Roundtable will be established in each province that will articulate with the CAR and will be responsible for convoking the other actors, including NGOs, representatives of academia, and the private sector.

The consultation process during the preparation of the ER Program will be adapted to the needs of indigenous organizations. These consultations will be specifically planned as a process of dialogue and management in accordance with the indigenous peoples safeguard policies and requirements of the World Bank (OP 4.10). Additionally, in agreement with Convention 169, ratified by Argentina, the national government will assure the free, previous, and informed consent of the indigenous peoples of the Misiones and Chaco provinces and of the Forestry Regions (Chaco eco-region and Misiones Forest). The principal axes for the construction of a consultation methodology for the indigenous peoples are delineated in the “Directives of the UNREDD Program on Free, Prior, and Informed Consent” and the “Directives for the involvement of relevant stakeholders in the preparation of REDD+, with a focus on the participation of indigenous peoples and other forest dependent communities” (UNREDD, FCPF).

In order to guarantee full respect for the rights of indigenous peoples, and taking into account that there is no one forum or organization that represents all indigenous communities in the country, the diversity of participating organizations will vary with the agenda. Similar to the implementation of the REDD+ Program consultation process, the “Protocol for Consultation of Indigenous Peoples”, formulated by ENOTPO and adapted for REDD+, will be used as well as appropriate materials and media. In the case of target communities that are not signees of the protocol, the protocol will be adapted to the traditional practices of these groups or a new consultation methodology will be sought (e.g. the Parliament of Indigenous Peoples of the American Chaco and ZICOSUR – the Integration Zone of the South American Midwest).

Consultations will be aimed at representatives of the Council for Indigenous Participation (CPI) of Misiones and Chaco provinces, and second and third level Organizations of Indigenous Peoples that include representatives of indigenous communities of the Chaco and Misiones Forest eco-regions. The process will respect the social and cultural values of the indigenous communities and peoples and will include the use of indigenous languages (Wichí, Qom, Mby’a, Guaraní, Moqoit and others) when necessary.

7. Operational and financial planning

7.1 Institutional arrangements

Please describe the governance arrangements anticipated or in place to manage the proposed ER Program (committee, task force), and the institutional arrangements among ER Program stakeholders (i.e., who participates in this ER Program, and how, including the roles of civil society organizations and forest dependent communities).

The management structure of the proposed ER Program is similar to that used for REDD+ Readiness. At the national level, the management structure is headed by an Executive Board (CD) as overall authority, as well as the Program Operational Unit (UOP) and an Advisory Council (CAR). These entities will be backstopped by existing bodies and platforms related to REDD+ such as the Government Committee on Climate Change and the Advisory Commission on Biodiversity.

The Program’s Executive Committee will be formed by representatives of the participating provincial authorities, ministries, particularly the Secretary of Agriculture, Livestock, and Fisheries, the Ministry of Foreign Relation, and the Ministry of Economy and Finance, secretaries and entities of relevant national organizations, and two representatives of the CAR. The president of the Executive Committee will be a representative of the SAyDS and the technical secretary will be a representative of the UOP. The Committee will provide political and strategic support for Program implementation.

The Operational Unit (UOP) at the national level is the same as that of REDD+ Readiness, and consists of a multi-disciplinary team belonging to the Sub-secretary for Environmental Planning and Policies of the SAyDS that will work in a coordinated manner during the duration of the Program. The UOP will coordinate the implementation of REDD+ within the country, and the alignment of forestry and climate change policies. At the Program level, the UOP will ensure the correct use of resources, the transparency of the operational processes, reporting of results, and the adequacy of the results in relation to the Program's objectives. It is responsible for the joint administration, articulation, and implementation of the Program, the coordination with actors, the participative formulation and implementation of the work plan, procurement, and the monitoring and follow-up of Program activities and results. A specific area will be formed within the UOP to coordinate with focal points of the provincial governments.

The CAR will be formed by representatives of scientific and technical institutions, NGOs, civil society, unions, organizations of indigenous peoples, and the private sector. It will assist and advise the UOP on technical, social, and environmental matters during the implementation of the Program and will channel the viewpoints of stakeholders to the Program in a coherent and transparent fashion. The CAR will provide linkage with civil society organizations, systematize the results of consultation processes, and prepare scientific and technical reports for consideration by the UOP.

The management structure at the provincial level mirrors that at the national level, where the provincial UOP consists of a multi-disciplinary team under the provincial government. In the case of Misiones, the UOP will be housed in the Climate Change Directorate of the Ministry of Ecology and Renewable Natural Resources, and Tourism (MERNRyT), while in the Chaco, the UOP will be under the Sub-secretary of Natural Resources/Forest Administration.

Provincial participatory roundtables, which are the equivalent of the CAR at the national level, will be composed of representatives of the private sector, producers, NGOs, and indigenous peoples. These provincial CARs will articulate with and inform the CARs at the national or eco-region levels as well as the Safeguards roundtable. A roundtable of municipal and local governments is also being formed whose purpose is to facilitate the interchange of experiences related to territorial governance, proposals for interventions, and the strengthening of implementation mechanisms in each of the target provinces.

7.2 Linking institutional arrangements to national REDD+ implementation framework

Please describe how the institutional arrangements for the proposed ER Program fit within the national REDD+ implementation framework.

The management structure for the ER Program and the National REDD+ Preparation Project share many of the same representatives and structures. This will ensure consistency of objectives, plans and actions between the Program and the national REDD+ implementation framework. At the highest level, the REDD+ Executive Committee will provide overall direction and coordination to both REDD+ and the ER Program and will serve as the link between them.

At the provincial level, the provincial government entities mentioned above (the Climate Change Directorate of the Ministry of Ecology and Renewable Natural Resources, and Tourism (MERNRyT) of Misiones and the Sub-secretary of Natural Resources/Forest Administration in Chaco) will oversee the implementation of both REDD+ and the ER Program. Their presence in the national REDD+ Executive Committee assures vertical integration between the national and regional levels.

Linkages between the UOPs and the CARs (or participatory roundtables at the provincial level) will provide horizontal integration at both the national and provincial levels for the implementation of both REDD+ and the ER Program. It is envisioned that the ER Program will aid the SAyDS in achieving greater horizontal linkage and coordination among

institutions and policies at the national level, and vertical coordination with the provincial and local governments. Likewise, the important role of the provincial governments, UOPs, CAR, and participatory roundtables within the management, consultation and implementation structures of the ER Program at both the national and provincial levels will provide concrete experience for improving the alignment and participation of the stakeholders within REDD+.

7.3 Capacity of the agencies and organizations involved in implementing the proposed ER Program

Please discuss how the partner agencies and organizations identified in section 3.1 have the capacity (both technical and financial) to implement the proposed ER Program

The SAyDS is the main coordination institution of the ER Program and forms part of the Cabinet with a direct line to the prime minister, which facilitates its participation in the formulation of inter-sectoral policies such as those necessary for REDD+. The SAyDS is also responsible for the application of the Forestry Law including territorial forest planning and zoning, incentives for forest conservation and management, and the development of the institutional capacities of forest governance at the provincial level. The SAyDS is presently involved in the updating of the national forest inventory and the national forest cover monitoring system, which is being adapted to the necessities of REDD+. The SAyDS has the following technical, financial and administrative capacity related to the management of forestry projects

Technical

National System of Forest Monitoring
Sustainable Production Systems Promotion Unit
Capacity Strengthening Unit
Forest Conservation Formulation Unit
REDD+

Financial and Administrative

Finance and Administration Unit
Planning, Monitoring and Evaluation Unit
Legal Unit

These units include specialists in various forestry related themes (monitoring of deforestation, sustainable management projects and initiatives, strengthening and improving forest governance, REDD+, safeguards, and public investment projects) and in administration and financial management components such as logistics, hiring, accounting, financial management, budgeting, planning and public sector regulations.

At the provincial level, the forestry institutions there have undergone significant development since the approval of the Forestry Law in 2007, due to the ambitious objectives, direct financial resources, and support of forest management and conservation projects established by the Law. These institutions have the capacity to enforce forest policies, via field personnel and tele-detection and informational technology tools.

However, the ER Program recognizes the need to strengthen the administrative and technical capacities of the multiple national and sub-national entities that are responsible for aspects of the implementation of the ERP, especially those of the provincial governments and the indigenous organizations. The strengthening of institutional capacity of these actors will include:

- a. Improving organizational capacity
- b. Improving inter-institutional planning capacity
- c. Improving the capacity for managing shared financial resources

With respect to financial capacities, see section 7.5 below.

7.4 Next steps to finalize the proposed ER Program implementation design (REL/FRL, ER Program monitoring system, financing, governance, etc.). Provide a rough timeline for these steps.

The Table below outlines the next steps to finalize the design of the proposed ER Program.

Table 7. Chronogram of the steps necessary to finalize the design of the ER Program.

	2016 1st semester	2016 2nd Semester	2017 1st semester	2017 2nd Semester
Reference Level	X			
Update of national forest inventory	X	X	X	X
Design of the Program Monitoring System	X	X		
Financial plan development, including pre-investment mechanisms			X	X
Formalization of the governance structure of the Program		X	X	
Establishment of the financial mechanisms for Program implementation		X	X	X
Formulation of SESA and the ESMF	X	X		
Finalize the benefit distribution plan	X	X	X	
Finalize the consultations of forest-dependent communities and the obtaining of free, prior, and informed consent	X	X		
Finalize the design of strategic REDD+ interventions in each jurisdiction	X	X		

7.5 Financing plan (in US\$ million)

Please describe the financial arrangements of the proposed ER program including potential sources of funding. This should include both near-term start-up cost and long-term financing. If the proposed ER program builds on existing projects or programs that are financed through donors or multilateral development banks, provide details of these projects or programs, including their financing timeframe. Use the table in Annex I to provide a summary of the preliminary financial plan

A diverse mix of sources for financing Program implementation is proposed, including public funding and international cooperation, especially for pre-Program investments. A financial plan and strategy for Program sustainability will be

developed during the formulation of the ER-PD, based on the above mentioned sources as well as the private sector. These documents will also include a detailed evaluation of the costs involved by each of interventions foreseen in each jurisdiction.

Very approximate projects of costs and revenues are shown in Annex 1. A principal source of uncertainty is how funds from World Bank loans and national projects and programs will be apportioned to the two target provinces.

Principal sources of funding for near-term start-up costs, include approximately \$8.8 million from the World Bank for REDD+ Readiness, approximately \$8.5 million annually from other World Bank projects, \$4.0 million annually from the Forestry Law and Forest Fund, and approximately \$3.5 million annually from other national projects and programs. Sources of funds from the private sector, such as soybean producers, are currently uncertain. As of 2020, significant revenues of approximately \$27 million annually are expected from the sale of emission reductions (Annex 1).

Expected costs exceed revenues during the start-up phase to 2020, but revenues exceed costs once the revenue stream from emission reductions sales is initiated.

8. Reference Level and Expected Emission Reductions

8.1 Approach for establishing the Reference Emission Level (REL) and/or Forest Reference Level (FRL)

Please briefly describe how the REL/FRL for the proposed ER Program has been or will be established. Describe how the approach for establishing the REL/FRL is consistent with UNFCCC guidance available to date and with the emerging Methodological Framework of the FCPF Carbon Fund, and with the (emerging) national REL/FRL (or with the national approach for establishing the REL/FRL).

Argentina is following a stepwise approach, as recommended by the UNFCCC ((1/CP.16, para 71(b), 4/CP.15), in the construction of Reference Levels (RL) at both the ER Program and national scales. It is expected the ER Program RL will contribute to the national RL.

The RLs are being formulated in a transparent manner and are coherent with data reported in the GHG inventories, the SNMB, and national communications and BUR; they will also be updated periodically as new knowledge, methodologies, and data become available as national capacities increase (12/CP.17). The country is currently in the process of creating a working group to assist the government in the development of the national reference level and the technical analyses related to REDD+ that are needed to comply with the UNFCCC.

At present, the RL for the ER Program, as well as the national RL, is based on the analysis of changes in forest cover of Landsat images, performed by the UMSEF of the Forestry Office of SAyDS, for the period 2002 – 2013. The RL will be based on the historical average of emissions, in line with the Methodological Framework of the Carbon Fund. The definition of “forest” is that used in the first national forest inventory, carried out by SAyDS in 2005. Emissions factors for aboveground biomass are also based on data from the forest inventory. The forest inventory will be updated for the two target provinces before the initiation of the Program.

The identification and quantification of post-deforestation land use is non-problematic in Chaco province due to the preponderance of permanent agriculture there, but is more challenging in Misiones province due to the presence of shifting agriculture and pine plantations.

The information on deforestation derived from the analysis of satellite imagery is regarded as reliable, and the frequency of analysis has been reduced from every 4 years to every year or two most recently. A major gap exists with

regards to the estimation of forest degradation, since it is not readily detectable through the analysis and interpretation of satellite images, although it is considered to be significant.

The next steps in improving the quality of emission estimations include:

- Carry out the second forest inventory
- Using data from the second forest inventory, develop allometric equations for estimating tree volume for a greater number of species
- Include root biomass using Level 1 estimates of the IPCC
- Include Level 2 or 3 estimates of other biomass compartments, based on a prior benefit/cost analysis
- Design a training program, based on a prior diagnosis of needs and existing capacities within the SAyDA and other academic, research, and government institutions, related to forest monitoring and emissions estimations, and implement the program based on the use of “learning by doing” methodologies.

8.2 Expected REL/FRL for the ER Program

Please provide an estimate of the REL/FRL for the proposed ER Program area. Even a very preliminary estimate would be helpful.

Preliminary data on deforestation from the Chaco and Misiones provinces are shown in Table 8 below. Associated emission calculations and estimations are shown in Table 9.

Table 8. Historical annual and average deforestation in the Chaco and Misiones provinces.

Period	Deforestation (ha)	
	Chaco	Misiones
2002-2006	127492	62412
2006-2011	168590	34335
2011-2013	107144	5614
Total	403,226	102,361
Annual avg.	36,656	9,306

The data show that in Chaco the average annual rate of deforestation increased from 31,873 ha/yr in the 2002-2006 period to 33,718 ha/yr during 2006-2011 period, and that the annual rate almost doubled between 2011 and 2013 to a rate of 53,572 ha/yr. Misiones presents an opposite trend. The annual deforestation rate actually decreased from 15,603 ha/yr in 2002-2006 to 6,867 ha/yr in 2006-2011 and was reduced even further in the 2011-2013 period (2,867 ha/yr). Thus, these two provinces represent opportunities to learn from two very different processes of deforestation. The challenge of reversing actual tendencies in the Chaco is far greater than that in Misiones, where conditions are favorable to achieving zero net deforestation in the near future. As a result, the ER Program interventions could have less relative impact in Chaco than in Misiones, but together they balance the risk associated with emission reductions in the two provinces.

Table 9. Estimation of emissions from Chaco and Misiones provinces.

Province	Average annual deforestation (ha/y)	Aboveground biomass (T/ha)	Biomass to carbon conversion factor (T C/T biomass), based on IPCC default value	Emissions factor (T C/ha)	Conversion of C to CO _{2e}	Annual Total (MT CO _{2e} /y)
Chaco	36,656	129	0.5	64.5	3.67	8.68
Misiones	9,306	259	0.5	129.5	3.67	4.42
Total	45,962					13.10

9. Forest Monitoring System

9.1 Description of approach and capacity for measurement and reporting on ERs

Please describe the proposed approach for monitoring and reporting the emission reductions attributable to the proposed ER Program, including the capacity of the proposed ER Program entities to implement this approach.

The forest monitoring system will estimate the emission reductions attributable to the ER Program based on the multi-temporal analysis of changes in forest cover. These changes will be extrapolated to biomass and eventually to carbon emissions based on a series of conversions whose calculation will be based on data from the national forest inventories. A separate system will be used to monitor non-carbon benefits resulting from Program interventions. The monitoring and reporting of carbon emissions from the ER Program will be consistent with the national framework for the implementation of a MRV system and is aligned with the processes and definitions recommended by the UNFCCC.

At present, the SAYDS has a forest monitoring system that responds to the necessities created by Forestry Law 26.331 in 2007. The Forest Evaluation Management Unit (UMSEF), created in 2001, is responsible for the monitoring of native forests and the quantification of changes in its structure and extension. Between 1998 and 2010 forest cover was evaluated every 4 years, based on the evaluation of Landsat satellite images, but since 2010 forest cover has been evaluated more frequently in the regions where deforestation is more marked.

The analysis of satellite imagery is complemented by data from the First National Forest Inventory in 2005; these data permit Tier 2 estimates of carbon reserves in aboveground biomass in the different forest regions. The Second National Inventory is planned for 2015 and will be repeated every 5 years. A priority of the Second Inventory is to focus on the data needed to better estimate biomass and emissions of the two target provinces.

A stepwise approach will be used to strengthen the capacity of the forest monitoring system in the future. Potential improvements include the use of finer scales of spatial and temporal resolution, the estimation of forest degradation, the incorporation of permanent plot data from the forestry inventories, the development of allometric equations for

biomass estimation for a greater number of species, and an integrated public information system that will permit the independent verification of the information related to GHG inventories.

9.2 Describe how the proposed ER Program monitoring system is consistent with the (emerging) national REDD+ monitoring system.

The proposed ER Program monitoring system is totally consistent with the national monitoring system being developed for REDD+ and will form an integral part of that system; moreover, the responsible institution is the same in both cases. The early implementation of the monitoring system in the target areas will contribute to the development of monitoring capacities at the national level, since the interventions and characteristics of the target regions are representative of those in other forested regions. The use of local actors in the ER Program will also strengthen coordination between national and local jurisdictions.

9.3 Describe how the proposed ER Program monitoring system is consistent with UNFCCC guidance available to date and with the emerging Methodological Framework of the FCPF Carbon Fund.

The methodologies of the proposed ER Program monitoring system are consistent with good practices for the Land Use, Land Use Change, and Forestry (LULUCF) sector, defined by the IPCC and the Manual of Methods and Procedures for the Monitoring, Evaluation, and Reporting of Information of GISC-GOLD. IPCC methods will be used for MRV and the establishment of a reference level.

The ER Program monitoring system will be based on the National Forest Monitoring System that was designed to respond to the necessities created by Forestry Law 26.331 in 2007. The System is being adjusted to comply with decisions relative to MRV systems for REDD+ (Decision 2 / CP.13, 1 / CP.16, 11 /CP.19 1 / CP.16). The System will apply Tier 2 methods of IPCC Approach 3, as recommended by the FCPF for the determination of reference levels and subsequent changes in forest cover and associated emissions.

The information produced by the Program forest monitoring system will be consistent with the national mitigation measures (Decisions 13 and 14 / CP.19) and with the reference levels (Decision 14 / CP.19). In accordance with Decision 12/CP.17, this information will be consistent with that reported in the inventory of GHG and the BUR. The information will also be coherent, transparent, exhaustive, and will reduce uncertainty as much as possible given current national technical and technological capacities. These conditions will be satisfied by using standardized IPCC protocols and assuring public access to the information produced.

9.4 Describe any potential role of Indigenous Peoples or local communities in the design or implementation of the proposed ER Program monitoring system.

Indigenous peoples and local communities will have a role in the monitoring of the Program. While community monitoring and evaluation may provide relevant information and insights into the incidence of the Program, local monitoring will be used primarily as a tool for promoting the capacity of indigenous peoples to direct their development and their involvement with the objectives of the Program.

In general, community participation in the monitoring of forests and deforestation in the country is incipient. Nevertheless, there are some isolated experiences that could potentially be incorporated into a community

monitoring program. These include the involvement of the Agronomy Faculty of the National University of Buenos Aires in training wichí indigenous communities in the province of Salta in the use of satellite images for an early warning system of deforestation. According to the researchers, the experience was very positive, people rapidly learned to read the maps and place on them their utilization areas, water sources and other communities, and were eager to use the new tools for reporting damage to their resources.

This topic has been discussed by SAYDS with representatives of organizations of indigenous peoples in the target provinces and they have expressed interest in this proposal. The establishment of an early warning system of deforestation is an objective of the Argentine REDD Program. It is also a subcomponent of the Forest and Community Project of the SAYDS, which attempts to strengthen the national forest information and monitoring system in order to reduce deforestation, forest degradation and illegal exploitation via a bottom-up development approach oriented to improve forest management and increase access to markets and basic services by small forest producers, including indigenous peoples and peasants.

Thus, as part of the objective of establishing partnerships and institutional articulation at the provincial and national levels, the monitoring and evaluation concept will be introduced to local communities through the use of participatory methodologies. Participation of the communities within the ER monitoring program will be decided by the communities themselves based on reflections regarding the utility of monitoring for their communities, relevant variables and tools, and other aspects related to their organizations and peoples.

9.5 Describe if and how the proposed ER Program monitoring system would include information on multiple benefits like biodiversity conservation or enhanced rural livelihoods, governance indicators, etc.

It is contemplated that the proposed ER Program will include information related to the non-carbon benefits shown in the Table below. During the design of the ER Program, indicators will be refined via consultation with interested parties and a baseline and monitoring methodologies will be defined. Periodic reports on non-carbon benefits will be prepared and published on public web sites.

The construction of the monitoring system and its indicators will be based on “Carbon, biodiversity, and ecosystem services: Exploring co-benefits. Argentina”, published in 2010 by the UNEP World Conservation Monitoring Center (UNEP-WCMC) and technical staff of SayDS, including the current national REDD+ coordinator. This collaboration will continue into the next phase of the study, which will concentrate on designing the system for the Chaco and Misiones provinces. The inter-relationship between the system for monitoring of non-carbon benefits and the development of SIS at the national level will also be analyzed.

With regards to the environmental variable, a series of coordination meetings will be held between the UOP and various academic institutions and local research centers that are presently collecting data related to the variables shown in Table 10. These include the Water Resources Directorate of the SAYDS, and the Forest Directorate of the SAYDS, which forest cover and habitat fragmentation via the analysis of satellite imagery, the Yaguareté NGO network, which monitors wildlife in Chaco and Misiones provinces, and the Wildlife Foundation, which has long monitored co-benefits in the target provinces. The monitoring of biodiversity conservation will likely be carried out by SAYDS in the system of permanent plots used in the national forest inventory. The selection of indicators will take into account the study mentioned above, as well as existing standards of the Climate, Community, and Biodiversity Alliance (CCBA), the Red List of the IUCN, and landscape level indicators such as habitat connectivity and fragmentation. Monitoring will include local community participation.

Non-carbon socio-economic benefits will be monitored using the Human Development Index (HDI) and the percentage of population living under the poverty line as indicators of poverty reduction. Job creation will be monitored via indicators generated by the Work and Environment Program of Argentina, which is presently elaborating indicators related to climate change and labor. AFOA also have a system of indicators for measuring employment in the forestry sector. The National Institute of Statistics and Censuses and the Ministry of the Economy will be consulted in order to analyze and become familiar with the methodologies used, formulate baselines, and to explore the potential disaggregation of data in order to monitor target social groups such as small farmers and indigenous peoples.

The monitoring of governance will concentrate on aspects related to the administration, control, verification, and enforcement of land use that have been identified in three recent studies by SAYDS in 12 provinces of northern and central Argentina, within the Native Forest and Biodiversity component of the Natural Resource Sustainable Management Project (IBRD 7520-0-AR). The indicators will be defined during the preparation of the Program, but will include the degree of application and compliance with relevant legislation and the development of capacities for forest monitoring and control by provincial institutions. It is expected that the monitoring of governance benefits will be done via independent studies.

Table 10. Potential non-carbon benefits and indicators associated with the ER Program.

Non-carbon benefit	Potential indicator
Environmental	
Conservation of biodiversity and viable populations. Maintenance of ecosystem services	Deforestation and forest degradation (in protected areas as well as at the program and provincial levels) Habitat fragmentation Increase of Protected Natural Areas Indicator species (e.g. Yaguareté - <i>Panthera onca</i>)
Regulation of the hydrological cycle Reduction of erosion and floods	Water Quality: Sediment load in major watercourses; agrochemical and bacterial pollution in runoff. Number and severity of floods / mudslides
Social	
Improved quality of life of local populations	Income of communities Access to basic services Human Development Index, % population under the poverty line Commercialization and added value (of products/certified products)

Governance	<p>Capacity of the provinces to manage and control their forest resources.</p> <p>Area of illegal deforestation</p> <p>Full implementation of the Forest Fund as provided by Forest Law 26.331: Forest Fund resources accessed by the program provinces</p> <p>Forest Law offenders data base implemented</p>

10. Displacement

10.1 Activities to address risks of reversal of greenhouse gas benefits
Please describe major risks of anthropogenic and non-anthropogenic reversals of greenhouse gas benefits (from e.g., fire, agriculture expansion into forest, changes in commodity prices). Also describe any activities or design features in the proposed ER Program that are incorporated to minimize and/or mitigate the anthropogenic risks or reversals, and how these activities are consistent with the design features of the (emerging) national REDD+ strategy to address risks of reversal.

Risks of international displacement of deforestation from both target provinces exist. Misiones province borders both Brazil and Paraguay, however the risk for further deforestation in these frontier areas is small, since the adjacent border regions of both Brazil and Paraguay are extensively deforested.

In the case of Chaco province, deforestation could be potentially displaced from target areas into Paraguay. However, a recent FAO study (*Dinámicas del mercado de la tierra en América Latina y El Caribe: Concentración y extranjerización*; FAO, 2012) suggests that Brazilian, Uruguayan, and American actors are much better positioned to take advantage of land tenure changes in Paraguay.

The Paraguayan Law for Zero Deforestation (Law No. 2524/04, modified by laws No. 3139/06, and 3663/08) imposes legal restrictions in the eastern region of the country and is having the effect of transferring deforestation to the Paraguayan Chaco, where there is no such restriction (Republic of Paraguay, RPP, June 2014). According to the FAO study, the region of most intensive “foreignization” in the last years has been the Chaco department of Alto Paraguay. Brazilians were the main land purchasers, followed by Uruguayans and North Americans. The study further describes the direct interest and support of Brazil to Brazilian land investments in Paraguay: “Due to growing sales of Brazilian meat to the international markets, a significant portion of the meat produced by Brazilian firms in Paraguay would be going to satisfy the local demand in Brazil.”

Argentine companies, on the other hand, only had a relatively significant share in one area, the eastern Alto Parana department, an agricultural region already converted to soybeans, and having few remnants of Atlantic Forest protected by law.

Based on the results of the “*El Caso de Paraguay*” chapter of the FAO study it can be inferred that important pressures on the forests of the Paraguayan Chaco were put into motion several years ago, that the main actors are mostly Paraguayans and to a lesser but significant degree Brazilian firms and farmers, and that any potential international

displacement of agricultural activities from Argentina to Paraguay as an effect of the ER Program would be far from smooth and unconstrained, particularly in the more distant areas of the Paraguayan Chaco. The political, cultural and economic contexts thus reduce the risk of displacement from the Argentine Chaco to Paraguay.

The risk of domestic displacement of deforestation will be reduced by the REDD+ Program activities, whose preparation began in July 2015. This program includes the establishment of a national forest monitoring system with the capacity to detect potential displacement. Furthermore, the recently initiated Forests and Communities Project of the SayDS foresees improvements in the system of forestry control (SACVEFOR) that should result in the reduction of illegal and informal forest operations in 5 provinces of the Chaco eco-region, including Chaco province and its neighbors. The ER Program will incorporate this information into its monitoring system, thus allowing for follow-up and corrective actions within or outside the Program's area of influence.

11. Reversals

11.1 Description of the potential risks of both domestic and international displacement of emissions (leakage)

Please describe the potential risks of both domestic and international displacement of emissions from the proposed ER Program activities. Then also describe how the proposed ER Program activities will minimize the risk of domestic displacement and international displacement (if applicable), via the design of the proposed ER Program and the ER Program activities and the selection of locations. For sub-national programs, pay special attention to identifying domestic risks of displacement of emissions, the proposed ER Program activities to mitigate these risks, which otherwise would contribute to fewer net emission reductions generated by the proposed ER Program, and how these activities are consistent with the design features of the (emerging) national REDD+ strategy to address risks of displacement.

A preliminary identification of potential major risks related to the reversal of GHG benefits are shown in the Table below and a brief analysis of deforestation drivers is provided in section 5. Factors involved in recent increases in deforestation include: increases in international prices of soybeans and other agricultural commodities and reactions and expectations regarding government interventions (e.g. approval and implementation of the Forestry Law).

A more detailed evaluation of these risks will be carried out to identify those corresponding to the interventions in each target area. Once identified, specific strategies to mitigate those risks will be formulated and integrated into the Program.

Table 11. Reversal risks and potential mitigation strategies.

Type of risk	Description	Mitigation strategy
Natural (extreme climate events)	Fires is the most probable threat. Droughts and floods are probable, but less frequent.	<p>Strengthen the Fire Management and Control Plans of the jurisdictions.</p> <p>Implement strategies of adaptation to climate change together with REDD+ interventions.</p> <p>Strengthen response capacities to extreme climate events.</p>
Governance	<p>Major risks include:</p> <ol style="list-style-type: none"> 1. Unanticipated impacts of policy interventions; 2. Policy changes that impact the long-term sustainable financing of activities; 3. Weak government and social institutions for dealing with new economic and social scenarios. 	<p>Detailed analysis and planning of regulatory instruments, anticipating behaviors in transition periods and attitudes toward speculative risks.</p> <p>Strengthen management and financial structures</p> <p>Strengthen participation and social support of new policies.</p> <p>Incorporate political commitments into legislation and State policy.</p>
International demand and prices of commodities	Increases in commodity prices or exchange rate fluctuations can result in a reversal of decisions regarding protected areas. This risk is greater in the Chaco, where deforestation caused by soybean expansion is more prevalent.	<p>International prices of commodities are difficult to affect via Program actions. However, good land use planning and sustainable land management, as well as enforcement of existing land use zoning and rules, can be used to guarantee commodity production while reducing deforestation.</p> <p>Alliances with organizations aligned with the sustainable production of commodities will be sought.</p>

12. Expected emission reductions

12.1 Expected Emission Reductions (ERs)

Please provide an estimate of the expected impact of the proposed ER Program on the REL/FRL (as percentage of emissions to be reduced). Based on this percentage, also estimate the volume of ERs, as expressed in tonnes of CO₂e, that would be generated by the ER Program:

- a) up to December 31, 2020 (currently the end date of the FCPF)*
- b) for a period of 10 years; and*
- c) the lifetime of the proposed ER Program, if it is proposed to continue longer than 10 years.*

The average annual emissions of 13.1 MT CO₂e/y are expected to be reduced by 75% in Misiones province and 25% in Chaco. Since the Program is expected to begin in 2018, this would result in reduction of 16.45 MT CO₂e during three years (to December 31, 2020), 27.42 MT CO₂e during 5 years, and 55.85 MT CO₂e during 10 years (Table 12).

The greater reductions in Misiones are due to the province's historical leadership in environmental conservation, more developed institutionality, and greater political will, evidenced by the establishment of the Green Corridor and the ambition to reduce net deforestation to zero. Moreover, the historical reduction in deforestation to low current rates suggests that the accomplishment of this goal is feasible.

In the case of Chaco, expectations are more moderate given the underdeveloped status of forestry and environmental administration at the provincial as well as municipal levels and the nature of the principal driver of deforestation (soybean and livestock expansion) there.

Table 12. Estimated emissions reduction under different scenarios and the portion of emissions reductions offered to the Carbon Fund.

	Average annual deforestation, 2002 - 2012 (ha)	Annual emissions (million tCO ₂ e/yr)	Estimated reduction of emissions (%)	Quantity of estimated emissions reductions 2018-2022 (5 years) (M tCO ₂ e)	Estimated Program ER 2018-2028 (10 years) (million tCO ₂ e)	Quantity of emission reductions offered to the Carbon Fund (M tCO ₂ e/5 yr)
Chaco	36,656	8.68	25%	10.85	21.7	9.22
Misiones	9,306	4.42	75%	16.575	33.15	8.29
Total	45,962	13.10		27.425	54.85	17.51

12.2 Volume proposed for the FCPF Carbon Fund

Please explain the portion of the expected ERs that would be offered to the Carbon Fund, and if other carbon finance providers or buyers have been identified to date, the portions of the expected ERs that would be offered to them.

The quantity of the emissions reductions offered would vary by province (half in the case of Misiones and 85% in the case of Chaco under the 5 year scenario). The percentage of the total emissions offered to the Carbon Fund is approximately 65%, equivalent to 17.51 M tCO₂e (Table 12).

13. Preliminary assessment of the proposed ER Program in the context of the national Strategic Environmental and Social Assessment (SESA) and the Environmental and Social Management Framework (ESMF)¹

13.1 Progress on SESA/ESMF

Please describe the country's progress in the implementation of SESA and the development of the ESMF, and their contribution or relationship to the proposed ER Program.

Principal results in the design and implementation of SESA to date include: agreement on a SESA work plan incorporating a common approach (FCPF and UNREDD), the socioeconomic analysis of the target areas carried out under the aegis of the Forests and Communities Project, results of early consultations regarding social and environmental risks in the two target provinces, and an analysis of existing gaps in relation to compliance of World Bank safeguards. The SESA work plan was presented and validated in July, 2015 as part of the progress related to the formulation of the National REDD+ Strategy and other components of the Warsaw Framework for REDD+.

An on-going consultation process¹ was begun in 2012, involving a variety of stakeholders (provincial and municipal authorities, peasant communities, indigenous peoples and their communities, researchers, technical personnel, businessmen, and rural producers) regarding REDD+ and social and environmental issues. As part of this process, UNREDD's Social and Environmental Principles and Criteria were used to operationalize the guidelines and safeguards under the Cancun Agreement, improve the participation of indigenous peoples and civil society, incorporate gender considerations, and empower the role of women in program planning, and assure transparency.

In total, six regional workshops, covering all the forested eco-regions of the country, and two national workshops, have been carried out. Specific information regarding the diagnosis of forest use and conversion has been obtained for each of the target regions (see section 5) and the capacities of relevant actors to stimulate and carry out broad-based participation and consultation have been strengthened (see section 6). Information regarding the visions and early concern of the sectors involved in REDD+, the identification of potential risks, and potential mechanisms for their avoidance or mitigation has been systematized and published. Complementary documents include the socioeconomic study by the Forests and Communities Project and the analysis of the social and environmental frameworks of the Argentine government and World Bank safeguard policies, which will serve to guide the formulation of policies and procedures and the design of corrective measures.

Progress on the formulation of the ESMF has been limited and is pending a more in-depth analysis of potential impacts and mitigation measures. Nevertheless, there exists a certain correspondence or convergence between World Bank safeguards and the existing Argentine legal framework and tools. These include:

- PO 4.01: In Argentina, the Environmental Impact Evaluation is commonly used at the national and provincial levels as an instrument for the evaluation and mitigation of environmental impacts and includes the use of consultations and public hearings for projects with significant environmental impacts.
- Protection of cultural and physical resources: the legal framework of the country incorporates approaches to those of the World Bank for their identification, preservation, and mitigation of negative impacts.
- Natural habitats (PO 4.04) and forests (PO 4.36): priority natural habitats are protected under the National Parks system, and a variety of laws, decrees, and regulations exist for the protection, planning, zoning, and

¹ The SESA is the assessment process to be used in FCPF REDD+ countries during R-PP implementation and REDD+ readiness preparation. The ESMF is an output of SESA that provides a framework to examine the issues and impacts associated with projects, activities, and/or policies/regulations that may occur in the future in connection with the implementation of the national REDD+ strategy but that are not known at the present time.

use of native forests in 15 provinces, while progress is on-going in the remainder. This legal framework promotes prevention of potential negative impacts when possible, and mitigation when they occur; mitigation plans should be made accessible in a timely fashion to stakeholders. It should be noted that financial mechanisms and budget line items exist for protected areas as well as the conservation and management of native forests.

The formulation of the ESMF will include the safeguards mentioned above as well as the arrangements for the distribution of benefits. The potential positive and negative impacts of the ER Program and measures for their avoidance or mitigation will be included in the ESMF. The ESMF will also include an analysis of the legal and institutional framework related to forest-dependent indigenous and peasant communities, with special emphasis on land tenure.

In relation to the arrangements for the distribution of benefits, a study of possible legal/financial alternatives under the Forest Law will be carried out as a preliminary step to the design of a benefit distribution system, as part of the benefits distribution design and implementation road map mentioned in section 15.

In general, the design of the ESMF will include the participation of the actors involved in REDD+ under the principle of free and informed consultation. It is anticipated that the ESMF will be finalized during the first semester of 2017.

13.2 Incorporation of SESA outputs and/or outcomes into the proposed ER Program

Based on the progress outlined in 7.1, please describe how the proposed ER Program is expected to make use of the outputs and/or outcomes of the SESA process. Provide an analysis of the ways in which activities planned under the proposed ER Program will rely on the measures and procedures included or to be included in the ESMF. Are there likely to be any gaps or issues regarding the compliance of the proposed ER Program activities with applicable safeguard standards, including the UNFCCC safeguards?

The proposed ER Program and the SESA process are expected to contribute feedback to each other via top-down and bottom-up processes. SESA will assist in identifying potential impacts, affected actors, and possible indicators for monitoring impacts of ER Program interventions and will aid in incorporating the recommendations of these actors into the design of the ER Program. At the same time, the ER Program design and implementation will inform the SESA with results from the sub-national jurisdictions of the Chaco and Misiones provinces and will contribute to adjustments in the focus of SESA, especially in regards to issues such as benefit distribution, institutional weaknesses, legal gaps, and patterns in land tenure and use.

Through the monitoring of the social and environmental indicators of SES, the early identification of potential problems, and the corresponding mitigation of negative effects of the ER Program interventions, SESA and the ESMF will help guarantee safeguard compliance during Program development, aid in measuring the response of the Program to environmental and social challenges, and will contribute to the adaptive management of the ER Program process.

13.3 Feedback and grievance redress mechanisms

Please describe the mechanism(s) that are or will be put in place to resolve any disputes regarding the proposed ER Program.

The feedback and grievance redress mechanism (FGRM) will respond to complaints and disputes arising from the implementation of REDD+ and should be accessible to all parties involved in that process, taking into account the geographic, cultural, and economic conditions and limitations of the more relegated groups. The mechanism is

contemplated to consist of two parts: a channel for voicing grievances and concerns, and a mechanism for conflict resolution.

The mechanism will not substitute already existing legal and institutional tools and procedures, but rather will build upon and complement those mechanisms. Argentina has a substantial legal framework for assuring the right of access to information and citizen participation. The right of access to environmental information is backed by: the 1992 Rio declaration of the UN Summit on Environment and Development, signed by Argentina; the General Law of the Environment (Law 25.675), Article 42 of the National Constitution, the Law of Minimum Budgets for Free Access to Public Environmental Information (Law 25.831), and National Executive decree 1172/03. The National Forest Law also guarantees the right of access to information and citizen participation prior to the authorization of native forest-related projects, especially those affecting indigenous peoples and peasant communities. The right to citizen participation is also provided under the General Law of the Environment, under which authorities are obligated to carry out prior consultation before authorizing activities or land use plans that could cause significant negative effects on the environment.

The design of the mechanism will be based on an analysis of potential complaints and conflicts identified during the SESA process, including those related to normalizing and formalizing land tenure. It should take into account the local cultural procedures for conflict resolution and already existing legal and institutional grievance mechanisms.

At the national level, these mechanisms include the public ombudsman office, which is responsible for receiving complaints and grievances and channeling them to appropriate authorities. The office is also active in mediation and conflict resolution. At the provincial level, Chaco and Misiones also have provincial ombudsman offices. Discussions will be held with these institutions in order to assess the feasibility of their participation in the REDD+ grievance redress mechanism

An expert consultant in conflict resolution will be contracted to design a grievance mechanism that takes into account the distinct needs of the different groups potentially affected, suitable mechanisms for receiving and responding to those needs, an analysis of existing channels for complaints and grievance redress procedures, potential modifications to adapt those mechanisms to the needs of REDD+ and the ER Program, a system to manage the information produced and needed by the grievance resolution system, and finally an adequate system of communications with users and other stakeholders.

14. Land and resource tenure

14.1 Rights to territories and land, and mitigation benefits

Please describe the land use and land tenure context of the proposed ER Program, and if and how rights to territories and land and mitigation benefits from REDD+ are reflected in traditional practices and codified in legal and/or regulatory frameworks.

Many of the forest dwelling peasant and indigenous communities in the two target provinces are particularly affected by insecure land tenure. In Misiones, there are an estimated 20,000 small producer families with irregular land tenure, but in Chaco, there are few hard data available. Nevertheless, in recent years a number of steps have been taken to mitigate this situation. At the national level, the national Emergency Law of Indigenous Communal Property (No. 26.160 approved in 2006) suspends all administrative sentences aimed at evicting the inhabitants of these lands. This

law complements the Territorial Program of Indigenous Communities, implemented by INAI, which include the revision of technical, legal, and land titling information of the lands occupied by indigenous communities. At the same time, the Law of Native Forests contemplates various measures to safeguard the land tenure rights of indigenous peoples. Additionally, the recently implemented New Civil and Commercial Code of the Nation introduces communal property of indigenous peoples within the definition of “goods” having legal standing.

At the provincial level, the two target provinces of Chaco and Misiones have a solid normative framework for communal property that provide a basis for programs or projects that intervene in forests where communities do not yet have formal land tenure. The provincial constitution of the Chaco recognizes traditionally occupied communal properties or reserves and can decree the transfer of other lands for human development of indigenous peoples as part of historical compensations, free and clear of any burden or encumbrances, indivisible and non-transferable to third parties.

In Misiones, the Guarani Communities Provincial Law No. 2.727 has been in effect since 1989 and provides the framework for plans and actions that provide access to land and support for productive activities. In the case of peasant communities, Law XVI No. 6 promotes social and agricultural development and formal settlement of the rural population that uses land as a source of employment and production. The province is also promoting two laws that formalize the tenure of holders of public or private lands; the former aims to facilitate procedures for granting land titles, while the latter (Law XVI No. 36) regulates the intervention of the provincial government in the process of formalization of land tenure in cases where spontaneous colonization of private land cannot be legally settled by other means. Finally, the Settlement and Colonization Plan constituted by Law XVI No. 77 provides for the expropriation of 42,000 ha.

The REDD+ process aims to support national and provincial policies that provide secure land tenure for indigenous and peasant communities found in forested areas as a means of promoting good forest governance and contributing to the legal security related to carbon rights and the distribution of benefits.

In order to address the paucity of data related to land tenure, as part of the SESA process, studies of the different forms of land tenure will be undertaken in Misiones and Chaco, as well as the quantity of land and number of inhabitants involved.

15. Benefit Sharing

15.1 Description of envisioned benefit-sharing arrangement for the proposed ER Program.

Please describe the benefit-sharing arrangements that are envisioned to be used for this proposed ER Program.

The benefit-sharing arrangement of the proposed ER Program is in the initial design stage. The legal framework for benefit distribution is provided by the Law of Minimum Budgets for Native Forests (No. 26.331) which established a regimen for sustainable forest management and conservation based on funds generated from environmental services and also created the National Fund for the Enrichment and Conservation of Native Forests, whose object is to compensate the jurisdictions that conserve forests and their environmental services. Under this Law, 70% of the funds received should be distributed to titled land holders that conserve native forest, while the remainder is apportioned to the provincial government (30%). However, this Law is relatively recent, and implementation policies and mechanisms need to be better refined.

The funds apportioned to provincial governments should be used to develop and maintain systems of monitoring and information of native forests and programs of technical and financial assistance to improve the sustainability of

activities undertaken by small producers and/or peasant or indigenous communities. The Law assigns the rights to compensation for environmental services to public as well as private owners of forests. The scheme is not specific for carbon, but rather addresses compensation for environmental services in general that are generated by forests.

Argentine law, especially the Law of Usufruct Rights to Forests (<http://www.sagpya.mecon.gov.ar/new/0-0/forestacion/legales/real.pdf>) also assigns rights to other forest users beside property owners. Under this law, forest owners can assign rights of forest use to third parties for purpose of forestation or silviculture, including the benefits generated by carbon sequestration. These usufruct rights are transferred by contracts, and are in force during the life of the contract.

The preceding section suggests that the rights to compensation for forest conservation and the rights to carbon benefits correspond to the forest owners or those with usufruct rights to forest resources, including those responsible for emission reductions, and that these actors are able to transfer the carbon rights to another party.

The Forest Law also established a legal precedent that can be used in designing a financial management system for future REDD+ payments: the National Fund for the Conservation of Native Forests enables the establishment of a trust managed by public banks and the means for supervision of these funds (see decree 91/2009 for regulations of Law 26.331 related to financial control and management, http://www.ambiente.gov.ar/archivos/web/File/ley_de%20bosques.pdf). The institutional and legal framework for benefit sharing includes the Auditor's General Office (established by Title VII, Chapter 1 of Law 24.256 for the Financial Administration and Systems of Control of the National Public Sector).

Direct payments from international actors to Argentine REDD+ projects could be based on the experience with the Clean Development Mechanism (CDM). The Ministry of the Economy, along with other areas linked to the forestry sector, could establish criteria for REDD+ projects and approved projects could directly access international REDD+ funds. The implementing authority would be SAyDS (see Decree 2213/02 that designates this institution as the Argentine authority of the application of the UNFCCC, and Decree 822/98 and Resolution 240/05 of the SAyDS that formulate the norms for the evaluation and approval of CDM projects). Under the REDD+ framework, Argentina is committed to guarantee the political and fiscal stability of REDD+ projects for a period of 30 years.

Another possibility is the use of a mechanism similar to that established by the Development Bank of Brazil for the Amazon Fund will be considered. A third alternative is the use of the Argentine Carbon Fund, which is a mechanism created to promote CDM in Argentina (Decree No. 1070/2005 created the Fund in order to promote and channel the flow of international and national investments for climate change mitigation in priority sectors and promote the consolidation of a technical and institutional framework in order to carry out these actions).

Given the incipient nature of the design of the benefits distribution mechanism, Argentina will follow the roadmap outlined in the World Bank document "PriceWaterhouseCoopers. 2012. Assessing Options for Effective Mechanisms to Share Benefits: Insights for REDD+ Initiatives. Program on Forests (PROFOR), Washington, DC. © World Bank. <https://wdronline.worldbank.com/handle/10986/12620> License: CC BY 3.0 Unported." Initial steps are: assess the legal framework for benefit sharing, identify and select the most appropriate type of mechanism (in all probability, a sub-national performance-based mechanism), assess levels of readiness, consult with key actors, identify key actions, and evaluate its relation to REDD+ processes and funding. Based on these activities a draft plan, governance, and financial mechanisms can be formulated and eventually tested.

15.2 Link between the envisioned benefit-sharing arrangement and the activities in the proposed ER Program.

Please explain how these benefit-sharing arrangements would support the activities identified in section 5.3 to address the drivers of deforestation and forest degradation. Identify, if possible at this stage, potential issues or constraints that may emerge in development of the ER Program that could need additional progress in order to effectively implement the benefit-sharing mechanisms.

According to Law 26.331, international cooperation (which may include assistance to REDD+) can be channeled via the financial mechanisms of the Law. In the case of Argentina's national REDD+ program and the ER Program, the benefit sharing mechanism contemplates collective as well as individual actions that involve provincial governments, communities, organizations, and individual land holders. In the case of interventions on the part of the State or public sector, the basis for the distribution of benefits resulting from these interventions should accrue to the communities of the forest regions involved. The details of the distribution and form of these benefits at this level, however, merits further discussion and consultation with stakeholders, including indigenous peoples, peasant communities, producers, and the municipal and provincial governments. Eventually, benefits resulting from the actions of individual property owners or communities and those by actions of the State can coexist within the REDD+ program and should be reflected in how those benefits are distributed.

Nevertheless, further analysis of the viability of these mechanisms for the financial management of REDD+ is needed, especially in regard to the following issues:

- The Forestry Law only compensate the conservation of a forested areas, not the reduction of emissions.
- The application of the Law is still in its early stages and its effectiveness for reducing net emissions is not yet proven.

As part of the REDD+ strategy, efforts should be made to strengthen the application of current legislation, including the Forestry Law, the Trust Law 24.441, and related norms. REDD+ should also be analyzed in the context of activities related to forestry promotion, in particular those related to National Law 25.080 of 1999 (Law of Investments for Cultivated Forests) and Law 26.432 of 2008 that extends its benefits (see <http://www2.medioambiente.gov.ar/mlegal/forestales/ley25080.htm>).

15.3 Progress on benefit-sharing arrangements

Describe the progress made thus far in the discussion and preparation of the benefit-sharing arrangements, and who has been participating in this process.

At present, Argentina is identifying various options for the distribution of benefits. This process will continue as part of the preparation of REDD+ Readiness and will follow the guidelines mentioned in the World Bank document cited in section 15.1 above. Once a potential benefits distribution mechanism has been identified, stakeholders, including indigenous groups, producers, the private sector, NGOs, and local and provincial authorities, will be consulted via the Plan for the Involvement and Participation of Actors of the National REDD+ Program.

Currently, a consultancy devoted to the evaluation of options for financial mechanisms of REDD+ in Argentina is underway. It is expected that the consultancy will propose a series of options for implementing a REDD+ financial mechanism under Argentina's institutional and legal framework.

16. Non Carbon Benefits

16.1 Expected social and environmental benefits

Please describe the environmental and social benefits, other than emission reductions, that the proposed ER Program is planning to achieve; and any other ways in which the ER Program would contribute to broader sustainable development.

The implementation of the ER Program can generate a number of non-carbon benefits. A preliminary analysis identified the conservation of biodiversity, the maintenance of ecosystem services, the regulation of hydrological cycles, an improvement in the quality of life of local inhabitants, poverty reduction, and an increase in the competitiveness of agriculture and forestry among non-carbon benefits.

The conservation of forests and their accompanying biodiversity, ecosystem services, and ability to regulate hydrological cycles is particularly important in Misiones province, since the Atlantic forest is a hotspot of biodiversity at a global scale, possesses a high degree of endemism, and is the fifth most threatened forest formation in the world. This high biodiversity is associated with different combinations of temperature, elevation, soils, rainfall, and distance from the ocean along its extension, creating conditions for the evolution of unique groups of species in localized areas. At the same time, Misiones is the recharge zone of the Guarani aquifer, one of the greatest reserves of freshwater in the world.

In the Chaco province, the forest ecosystem is fragile due to nutrient poor and sandy soils, low and irregular rainfall, strong winds, high temperatures, human pressure, and the effects of climate change. At the eco-region level, the Chaco forest represents the second largest block of forest in South America, but is the eco-region with the lowest percentage of protected areas in the country. As a result, the emphasis on forest conservation in the Chaco will also include its contribution to climate change adaptation via the reduction of droughts and floods and the maintenance of the forest's productive functions.

16.2 Diversity and learning value

Please describe the innovative features of the proposed ER Program and what learning value the proposed ER Program would bring to the FCPF Carbon Fund.

The Program has various characteristics that would add value to the FCPF Carbon Fund and REDD+ implementation in general.

Firstly, the work in Misiones province would affect a unique and highly threatened habitat and the combination of special factors there – the tradition of the provincial government as an environmental leader, the ambitious objectives laid out, and the buy-in into forest conservation by the local population, creates a strong possibility to reduce deforestation to zero and create a paradigm for REDD+ implementation for all South America. Given its geographical location, Misiones also presents the opportunity to establishment a tri-national South-South program focused on the Atlantic forests.

The Chaco province, on the other hand, has high learning value for combatting one of the drivers of deforestation that is generating worldwide concern – the expansion of commodity crops for export. In this sense, it is important to highlight the opportunity to generate a space where the private sector (soybean and livestock producers), the government (represented by the Ministry of Agriculture and SAyDS), and organizations advocating for sustainable means of commodity production can come together to interact and work towards formulating new systems of sustainable agriculture. Furthermore, the wide range in the use and opportunity cost of forest lands in Chaco, also

creates a unique setting for testing the suitability and viability of deforestation mitigation measures under varying socioeconomic conditions and in developing integrated landscape-level interventions that contribute to conservation as well as productivity.

Differences between Misiones and Chaco related to the trajectory and drivers of deforestation, institutional arrangements, capacities, and support for forest conservation provide additional opportunities for learning related to the implementation of REDD+ under a federal system of government.

Finally, the Program and the large scale of the jurisdictions involved, similar to the size of small countries, represents the most important REDD+ initiative in the country and serves as an example of the marshalling of cross-sectoral involvement, financial commitment, and the early involvement of key actors, such as the private sector.

17. Progress on registries

17.1 National registry
Please include a short description of the relationship of the proposed ER Program to national REDD+ activity management arrangements, and if the proposed ER Program will be part of any system to track REDD+ or other emissions reduction activities (e.g., a REDD+ registry).

Activities related to the establishment of a REDD+ registry of emission reductions are incipient. Such a registry is necessary to provide transparency and prevent double accounting of emission reductions and should be linked to the forest monitoring system. The reporting and registration of such activities should also be grounded in the country’s legal framework as well as IPCC guidelines.

At present the national registry is working with the Forestry Administration in the application of norms and administrative procedures for the registry of forest management and conservation plans financed under the Forestry Law (see <http://www.ambiente.gob.ar/?idseccion=344>), which is also linked with a public information platform (see <http://obio.ambiente.gob.ar/mapa-interactivo>) . This experience will be used to inform the REDD+ registry process whose details will be more fully elaborated during Program design. It is anticipated that the country will also review other regional early experiences with a REDD+ registry and incorporate appropriate features into the Argentine design.

18. List of acronyms used in the ER-PIN
Please include an explanation of any institutional or other acronyms used. Add rows as necessary.

Acronym	Meaning
APN	National Park Agency
BATNA	Best Alternative to a Negotiated Agreement
CAR	REDD+ Advisory Committee
CCBA	Climate, Community, and Biodiversity Alliance

CDM	Clean Development Mechanism
CDR	Executive Committee
CGCC	Governmental Committee on Climate Change
COFEMA	Federal Council of the Environment
COFEPLAT	Federal Council of Planning and Territorial Zoning
CONADIBIO	National Commission on Biodiversity
CONICET	National Council of Scientific and Technical Research
CPI	Council of Indigenous Participation
ENOTPO	National Meeting of regional organizations of indigenous people
ESMF	Environmental and Social Management Framework
ERPA	Emission Reductions Payment Agreement
FAO	Food and Agriculture Organization of United Nation
FCPF	Forest Carbon Partnership Facility
FoNAF	National Forum for Family Agriculture
GOA	Government of Argentina
GHG	Greenhouse Gas
HDI	Human Development Index
INAI	Institute of Indigenous Affairs
INTA	National Institute of Agricultural Technology
LULUCF	Land Use, Land Use Change, and Forestry
MAGyP	Ministry of Agriculture, Livestock, and Fisheries
MERNRyT	Ministry of Ecology and Renewable Natural Resources, and Tourism of de Misiones
MRV	National System of Forest Monitoring
NGOs	Non-Governmental Organizations
OAT	Territorial Environmental Planning and Zoning
PICs	Integrated Community Plans

REDD+	Reducing Emissions from Deforestation and Forest Degradation
RR	Roundup Ready
SACVEFOR	System of Administration, Control, and Verification of Forest Products
SAyDS	Secretary of the Environment and Sustainable Development
SESA	Strategic Environmental and Social Assessment
SIS	Information System on Safeguards
UICN	International Union for Conservation of Nature
UMSEF	Forest Evaluation Management Unit
UNFCCC	United Nation Framework Convention on Climate Change
UNREDD	United Nations Program on Reducing Emissions from Deforestation and Forest Degradation
UOP	Unidad Operativa de Proyecto (UOP)
OAT	Territorial Environmental Planning and Zoning
WBG	World Bank Group

Annex I: Financing plan summary table

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Expected uses of funds	Description	Breakdown per year										
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
<i>Costs related to developing the ER Program (e.g., monitoring costs)</i>	Preparation of REDD and ER Program	1.8	1.8	1.7	1.7	1.6						8.8
	<i>Actividades productivas sustentables y actividades basadas acuerdos de coordinación intersectorial</i>	3.0	3.0	24.0	27.0	27.0	26.5	26.5	26.5	26.5	26.5	216.5
<i>Other costs</i>	<i>(please explain)</i>											
Total uses		4.8	4.8	25.7	25.7	27.0	26.5	26.5	26.5	26.5	26.5	225.3

Expected sources of funds	Description											
<i>Grants</i>	REDD Readiness	1.8	2.0	1.7	1.7	1.6						8.8
<i>Loans</i>	BM loan, Forests and Communities		4.0	4.0	4.0	4.0	4.0					20.0
	Other BM loans		3.0	3.0	3.0	3.0	3.0					15.0
	Forest Law		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	13.5
<i>Revenue from Forest Fund</i>			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	36.0
<i>Contributions of national programs</i>			3.5	3.5	3.5	3.5	3.5					17.5

<i>Revenue from sale of Emission Reductions (contracted)</i>						17.51	17.51	17.51	17.51	17.51	17.51	105.06
<i>Revenue from of additional Emission Reductions (not yet contracted)</i>						9.92	9.92	9.92	9.92	9.92	9.92	59.49
Total sources (before taxes)		1.8	18.0	17.7	17.7	45.0	43.4	32.9	32.9	32.9	32.9	275.2
Net revenue before taxes (=total sources – total uses)		-3.0	13.2	-8.0	-8.0	18.0	16.9	6.4	6.4	6.4	6.4	54.7