

**Forest Carbon Partnership Facility (FCPF) Readiness Mechanism  
Readiness Preparation Proposal (R-PP) External Review Template**  
(interim, September 10, 2009, from Program Document FMT 2009-1, Rev. 3)

**TAP Synthesis Review of R-PP of: ARGENTINA**

**Review: Eduardo Morales, TAP lead reviewer + 5 reviewers**

**Date of review: June 15, 2010**

**Summary of Review and Recommendations**

The TAP is generally pleased with the effort that has been put in preparing the RPP and the thorough revision that the country team has performed which has left Argentina's R-PP presentation ready for the next round. All key components have been improved in the revision.

**Strengths of the R-PP Document:**

- The design of the consultation that identifies "informing" as a key first step.
- The deep analysis of the legislative context and the apparent success of the *Ley de Presupuesto Mínimo para la Protección del Bosque (LPMPB)* (*Forest Protection Minimum Budget Law*) that apparently curbed deforestation in one of the country with the highest rate in the region.
- The fact that Argentina has resolved issues of carbon ownership which will allow the country to move forward immediately in the design of a benefit sharing mechanism.
- The quality of information available to develop a reference scenario and a MRV system associated with a clear identification of the information that is missing.
- The original idea of a regional monitoring for ecosystem types common to neighboring countries.
- The concrete proposal to develop a MRV system for safeguards.
- The widespread use of market incentives and other policy instruments to address land use issues, which the R-PP acknowledges and builds on.

**Issues of Concern from the TAP:**

Among the issues which were improved are the organizational arrangement of the REDD setup in Argentina. The inter-agency collaboration is well described and an organizational chart is now available clearly indicating the links among them and the responsibility of each party is now clearly indicated.

### **Major Recommendations:**

Most recommendations were taken into account. In all Components major changes have been produced, with the exception of Component 3 in which only minor changes were introduced.

### **Introduction**

Argentina as well as some of the larger Latin American countries still has a large area of forest and diversified ecological landscapes. Population distribution and its character are diverse and unevenly spread across the country. Forestry wise, although Misiones, Entre Ríos and Mesopotamia have some relicts of coniferous forests, Argentina has a large area of mostly tropical and subtropical broad leaf forests and extensive areas of shrubs and woodlands which have been converted into pasture land.

Regarding the current status of forests areas, the country has faced over the last century a progressive process of deforestation which in recent decades has been aggravated by forest degradation. Only in the last decade, more than 2.5 million hectares of native forests have been deforested at a rate of 250,000 hectares per year.

Facing this situation the Government has decided to set actions to reduce deforestation. The Congress approved at the end of 2007, Law 26.331 regarding Minimum Standards for the Environmental Protection of the Native Forests. The operational rules of this law are under the National Decree 91 that established a pilot system program - the Experimental Program of Management and Conservation of Native Forests - in 2009.

The law established a mandatory provincial forest land financial investment plan in forest protection and management. Among other important aspects of the law is the participatory nature of the process for natural forests land use planning; the moratorium on deforestation until each province implements the program; the obligation to implement environmental impact evaluations and public audiences before authorizing forest harvesting plans, the ban on open air burning of the forest residues resulting from deforestation, the explicit recognition of indigenous communities, small and medium sized farmers bound to the forests and the creation of a National Fund aimed at compensating land owners that conserve forest and the environmental services they provide.

A tax has been established on export agriculture commodities, which will reach a significant investment fund. In addition the fund will provide financing to strengthen technical and control capacities of provincial governments. The fund will be used to improve sustainable development of productive activities of forest dwellers. According to the monitoring carried out by SAyDS in a deforestation hotspot area ,

the rate of deforestation fell by 60% on year after the sanction of the National Forest Law.

The implementation of the Forest Law and the experimental program meant an unprecedented advance in environmental matters for Argentina, but also a significant achievement in the participation of civil society and the involvement of provincial governments in an environmental protection standard. However, the full implementation of the law faces several difficulties that should be addressed. One key issue is the institutional capacity of provincial governments which have first to be transformed and improved. A control system with advanced technologies has to be set in order to address all challenges for full implementation of forest program in a large territory. An important technical support is needed to sustain current efforts and maximize results at the same time it creates a framework for the implementation of REDD. The financial resources available should be supported in the creation and perfection of delivery mechanisms that are cost effective and lead to the establishment of ambitious targets for reducing forest emissions.

The country is currently designing a forest inventory system based in permanent sample plots across the forests, and it has a system for monitoring forest cover which has been operated since 2005. The country also is developing a climate change strategy. At the political and institutional levels, National Parks Administration, the Directorate for Indigenous People in SAyDS, and the Participation Council of Indigenous people in the Social Development Ministry have a good background.

In this regard, management of national environmental governance has established a management paradigm that articulates a harmonious relationship of environment and production, including the creation of employment with appropriate quality and social inclusion as a priority basis for its actions.

### Review of R-PP by TAP

#### **Component 1. Organize and Consult**

##### **Standard 1a: National Readiness Management Arrangements.**

The cross-cutting nature of the design and workings of the national readiness management arrangements on REDD, in terms of including relevant stakeholders and key government agencies beyond the forestry department, commitment of other sectors in planning and implementation of REDD readiness;

#### **Comment:**

The presentation of the structures to be created, the inner relationships among their components and the rules governing their working plans is clear and well described. In the present version it has been introduced the role of "Chief Minister Office". This is an important thrust to REDD readiness as the Chief Minister Office is responsible

for the coordination of inter-sectoral policies including climate change. One the main results of this appointment was the creation of the Government Committee on Climate Change (GCCC), an inter-sectoral group in charge of the climate change policy for the country. This Committee will develop a climate change National Mitigation and Adaptation Strategy to develop an integrated National Climate Change Policies in the 2009-2012 period. If properly understood, this means that the REDD issue has been moved up to a high level minister coordination.

**Standard met.**

**Recommendations:**

1. It should be clarified if the RIU will report to the SC. On the other hand please explain if the SC and the EAC will have operating responsibilities
2. It seems difficult to pay salaries to 5 coordinators (90 000/year) and staff and the RIU, the budget seems still to be very low
3. Clearly state whether the governmental agencies mentioned have agreed to join the proposed structure.
4. Please specify the instruments and procedures to be used in order to create and integrate the different units mentioned.
5. Some editing is still required.

**Standard 1b: Stakeholder Consultation and Participation.**

Ownership, transparency, and dissemination of the R-PP by the government and relevant stakeholders: Inclusiveness of effective and informed consultation and participation by relevant stakeholders, assessed in the following ways:

- i. the consultation and participation process for R-PP development thus far, the extent of ownership within government and REDD coordinating body, as well as in the broader national stakeholder community; and
- ii. The Consultation and Participation Plan included in the R-PP (which looks forward in time); and the inclusion of elements in the R-PP that adequately document the expressed concerns and recommendations of relevant stakeholders and propose a process for their consideration, and/or expressions of their support for the R-PP.

**Comment:**

In this version of the R-PP it is clearly presented the initial consultation processes carried out in order to formulate the R-PP. Details of the process and feedbacks received during the R-PP formulation were also added. Meetings were conducted

with the World Bank mission in March from which suggestions were received and incorporated in the current R-PP version.

The Indigenous People Consultation and Participation process presentation is revised and rewritten. In order to provide more continuity to the main body of the R-PP the Indigenous People Consultation and Participation plan was moved to the annex.

The R-PP develops a detailed listing of the various groups that have already met and that have been consulted. The perception is that a Three Stages Plan has been identified, with a clear methodology on how to go about with the stakeholder's participation and consultation.

**Standard met.**

**Recommendations:**

1. A more detailed plan, including main stakeholders should be elaborated.
2. A diagram outlining the relation among the focal groups and existing mechanisms and structures for each one is identified.

## **Component 2. Prepare the REDD Strategy**

**Standard 2.a: Assessment of Land Use, Forest Policy, and Governance:** A completed assessment is presented that identifies major land use trends, direct and indirect deforestation and degradation drivers in the most relevant sectors in the context of REDD, and major land tenure and natural resource rights and relevant governance issues. It documents past successes and failures in implementing policies or measures for addressing drivers of deforestation and forest degradation, and identifies significant gaps, challenges, and opportunities to address REDD. The assessment sets the stage for development of the country's to directly address key land use change drivers

**Comment:**

As a matter of fact, the report presents an analysis of the causes of deforestation in native woodlands. Particular emphasis is put on the expansion of the soybean cropping. Although the expansion of agriculture has been the main driver for deforestation, other causes are now identified and listed, such as firewood collection, charcoal production, railroad crossties and tannins, and furniture manufacturing.

In summary, abundant information is submitted.

**Standard met.**

**Recommendations:**

1. It should be noted that biofuels are not yet deforestation drivers. This could be the case in the future, but all biodiesel refineries up to now are settled in the

Pampa Region, which was occupied originally by grassland ecosystems and is devoted to agricultural activities. (page 29)

2. Also it should be noted that the Espinal region is also being deforested to introduce cattle and in many places ( San Luis) for conversion into agriculture (point 22, page 33)
3. It is suggested to consider integrating a study on the social implications of the DD in the identified eco-regions.
4. Some editing is required.

**Standard 2.b: REDD strategy Options:**

Alignment of the proposed REDD strategy with the identified drivers of deforestation and forest degradation, and with existing national and sectoral strategies: the R-PP includes a summary of the emerging REDD strategy to the extent known presently, and of proposed analytic work (and, optionally, ToR) for assessment of the various REDD strategy options. This summary states:

1. How the country proposes to address deforestation and degradation drivers in the design of its REDD strategy;
2. Early estimates of cost and benefits of the emerging REDD strategy, including benefits in terms of rural livelihoods, biodiversity conservation and other developmental benefits;
3. Socioeconomic, political and institutional feasibility of the emerging REDD strategy;
4. Major potential synergies or inconsistencies of country sector strategies in the forest, agriculture, transport, or other sectors with the envisioned REDD strategy; and
5. Risk of domestic leakage of greenhouse benefits. The assessments included in the R-PP eventually should result in an elaboration of a fuller, more complete and adequately vetted REDD strategy over time.

**Comment:**

Extensive and deep rewriting was done to this Component. An assessment of the REDD policy options for Argentina remains pending as they themselves recognize, however several strategic choices have been identified but not evaluated. Although, the component identify general guidelines, which will support future Argentina's REDD strategy, which should be laid down soon.

The working team understands that the development of this strategy will involve further analysis and the identification of key policies. A table is presented where some preliminary options and activities are identified for the following headings: Drivers; Potential REDD strategy activities; Readiness activity and related stakeholders.

The Piloting Strategy Development System, which is described, will be instrumental in design of specific activities that will contribute to emissions reductions and increased removals. Civil society organizations, provincial and local government, private owners and decentralized government agencies will participate in this setup in order to elaborate pilot local activities or strategies. An expert panel will assess the proposals through a process of evaluation, testing and consulting which at the end leads to a decision on a REDD strategy.

Clarification regarding the forest law enforcement and the additional necessary measures is also included.

**Standard partially met.**

**Recommendations:**

1. It is strongly suggested that a preliminary REDD Strategy be developed with the elements now in place.
2. The Chaco region has been included but it is suggested to place it at the bottom of the table.
3. Deep editing will be required.

**Standard 2.c: REDD implementation framework:**

Describes activities (and optionally provides ToR in an annex) to further elaborate institutional arrangements and issues relevant to REDD in the country setting that identifies key issues, explores potential arrangements to address them, and offers a work plan that seems likely to allow their full evaluation and adequate incorporation into the eventual Readiness Package.

**Comment:**

This component was substantially rewritten, explanation to several observations placed earlier were added. The text is much more structured.

The REDD implementation plan will be based on a program that will assess the current regulatory framework and REDD financial management in Argentina. The program activity comprises:

- a) Definition of the institutional responsibilities, roles and resource needed for the implementation of new REDD policies and programs.
- b) Define criteria for ensuring accountability of the actors.
- c) Institutional mapping and assessments of financial management and technical capacities.
- d) Define national accounting system for carbon emissions accounting registry
- e) Policy and laws analysis: A review of existing laws and policies focused on identifying perverse incentives or areas that undermine sustainable forest and land management is critical in implementing REDD. Such analysis will also help identify policies and measures that can support the development of mechanisms for REDD.

**Standard met.**

**Recommendations:**

1. Some editing will be required

**Standard 2.d: Assessment of social and environmental impacts:**

The proposal includes a program of work for due diligence for strategic environmental and social impact assessment in compliance with the Bank's safeguard policies, including methods to evaluate how to address those impacts via studies, consultations, and specific mitigation measures aimed at preventing or minimizing adverse effects.

**Comment:**

A preliminary diagnosis to identify key environmental and social issues relevant to REDD+ in the country was conducted with support of World Bank. Available data and expert interview was utilized to prepare this component.

A twelve steps plan has been designed which addresses all the issues involved in a well thought and effective social and environmental impact assessment. Furthermore, a three phases implementation plan is proposed, which basically consists of:

Phase 1 Final design of the SESA ToR and general analysis.

Phase 2 Implementation of the SESA process according to the ToRs, which will involve the implementation of identified activities.

Phase 3. Integration of key identified issues and indicators within the MRV of impacts and safeguards, including findings of the SESA in the preparation of the Argentina REDD+ Strategy and subsequent preparation of the Readiness Package

An annex with draft ToRs was added.

**Standard met.****Recommendation:**

1. No recommendation in this component

**Component 3. Develop a Reference Scenario**

**Standard 3 Reference scenario:** Present work plan for how the reference scenario for deforestation, and for forest degradation (if desired), will be developed, including early ideas on feasibility of which methods to use (e.g., scenario of forest cover change and emissions based on historical trends in emissions and/or based on projections into the future of historical trend data), major data requirements and capacity needs, and linkages to the monitoring system design.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

**Comment:**

With reference to the first version of the R-PP, there has been a lot of improvement. An extensive review is given about past attempts on estimating GHG emissions/removals. Although more details are added about how the 3 scenarios were derived, we do not see much improvement concerning development of a work plan.

## Other comments:

- It would have been useful to set out specific goals followed by the overall plan at the beginning then to have used material as appropriate to illustrate or go into more depth for each step. Key information is given and it is suggested to put all this data in a logical order. The rationale for the year (2007) as it pertains to Argentina is good.
- Needs a description of what constitutes a forest—a definition can be added to encompass all the key forest formations that Argentina wants to include—could have used the Marrakesh Accords thresholds.
- All the material on past National Communication is very interesting but it breaks the fluency of the main body of Component 3 and it is suggested to put it in an Annex along with a background paper for the country.
- From the data and information given in this section, it seems that the “plus” activities of REDD+ have an important role in the GHG balance—all net GHG balance since 1990 show a net sink for the forest sector. This might be problematic, in terms of REDD, as removals are shown to exceed emissions. It is suggested to revise the definition of forest and verify if effectively in the Argentinean case removals exceed emissions under the current forest definition. The correct use of the IPCC guidelines should also be verified.
- A diagram/flow chart would be useful showing which transitions in which forest types are being considered historically and in future projections, which data of low uncertainty are available, where are gaps, and what steps would be taken to fill in those gaps to produce a robust estimate of emissions/removals in the past.
- Data are clearly available of C stocks—although it is not clear which pools are included and whether an analysis has been made of the suitability of the data. It is suggested to confirm if there are enough plots/measurements of key forest types to meet standards for accuracy/precision of C stocks. It is also suggested to include/discuss which standards have been set for the data on both C stocks and remote sensing. If no standards exist, it is suggested to set such standards and a plan to cost effectively achieves the standards during the implementation of the R-PP.

**Standard partially met****Recommendation:**

1. It is a great improvement over previous version but still needs some additional work as outlined above
2. It would have been useful to set out specific goals followed by the overall plan at the beginning then to have used material as appropriate to illustrate or go into more depth for each step.
3. It is suggested that a definition of a forest be adopted to facilitate the development of a reference scenario.

**Component 4. Design a Monitoring System**

**Standard 4: Design a monitoring system:** The R-PP provides a proposal for the initial design of an integrated monitoring system of measurement, reporting and verification of changes in deforestation and/or forest degradation. The system design should include early ideas on including capability (either within an integrated system, or in coordinated activities) to monitor other benefits and impacts, for example rural livelihoods, conservation of biodiversity, key governance factors directly pertinent to REDD implementation in the country, and to assess the impacts of the REDD strategy in the forest sector.

The R-PP should describe major data requirements, capacity requirements, how transparency of the monitoring system and data will be addressed, early ideas on which methods to use, and how the system would engage participatory approaches to monitoring by forest-dependent indigenous peoples and other forest dwellers. It should also address independent monitoring and review, involving civil society and other stakeholders, and how findings would be fed back to improve REDD implementation. The proposal should present early ideas on how the system could evolve into a mature REDD monitoring system with this full set of capabilities.

(The FCPF recognizes that key international policy decisions may affect this component, so a staged approach may be useful. The R-PP states what early activities are proposed.)

**Component 4a. Emissions and Removals****Comment:**

This component is technical and detailed and a lot of thought has gone into it, however, it needs to be better organized with subheadings and breaks into tasks so that the proposed work is clear. Also it needs to be very clear where the overall organization and management for this work will reside

With regard to permanent forest inventory of entire country – it should be recognized that the risk of such a system is that the number of sample plots may not be sufficient

to meet standards (accuracy/precision) needed for most dynamic areas – what plans would Argentina need to ensure standards are met in such areas?

It is suggested to hold a workshop early on in implementing R-PP process composed of experts in country to discuss and set standards for RS and field monitoring, develop the monitoring plan, and develop the QA/QC plan. IRAM (The Argentinean Standards Institute) is mentioned, but although an independent monitoring and reviewing organization is mentioned, is not clear if this type of organization will be considered at all or if it will be IRAM who will be responsible for the monitoring.

**Standard partially met.**

**Recommendations:**

1. Practically all elements are included but it needs to be better organized, the inclusion of charts/tables showing the organization is suggested. This will contribute to clarifying the way in which the organization will operate.
2. A box and arrow diagram showing the organization structure by groups involved would be useful and showing where needed contribution by forest community dwellers and other relevant stakeholders.
3. IRAM, the non-governmental Argentinean institution is proposed. It has been strongly suggested that monitoring should be carried out by a fully independent verification organization, please explain how this will be performed.

<b>Component 4b – other benefits</b>
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**Comment**

Some good ideas are presented in this section (fragmentation monitoring is particularly valued) but it should be better organized. This could be improved if this section was thought of as a work plan with steps identified – rather than as presented now with all ideas and text running together.

**Standard partially met**

**Recommendation**

1. It is suggested that some thinking about the cost of this components be included and a indications if some indicators are more cost effective than others. This section has focused a lot on biodiversity but it should also look into water resources and possibly on other relevant resources.

2. If water resources are finally included, ideas or plans of how monitoring water resources could be included
3. Mostly a case of organizing text a bit better – all key ideas are incorporated but the presentation should be improved.

### **Component 5. Schedule and Budget**

#### **Standard 5: Completeness of information and resource requirements.**

The R-PP proposes a full suite of activities to achieve REDD readiness, and identifies capacity building and financial resources needed to accomplish these activities. A budget and schedule for funding and technical support requested from the FCPF, as well as from other international sources (e.g., UN-REDD or bilateral assistance) are summarized by year and by potential donor. The information presented reflects the priorities in the R-PP, and is sufficient to meet the costs associated with REDD readiness activities identified in the R-PP, or gaps in funding are clearly noted.

#### **Comment:**

A detailed series of tables describe the main activities and the corresponding sub-activities for the whole project. The information presented reflects to a great extent the priorities in the R-PP.

#### **Standard met.**

#### **Recommendations:**

It is suggested to provide a brief comment at the end of each table underlining the main purposes to be achieved with the budget assignment to the different activities and sub activities.

### **Component 6. Design a Program Monitoring and Evaluation Framework**

**Standard 6: Design a Program Monitoring and Evaluation Framework.** Adequately describes the indicators that will be used to monitor program performance of the Readiness process and R-PP activities, and to identify in a timely manner any shortfalls in performance timing or quality. The R-PP demonstrates that the framework will assist in transparent management of financial and other resources, to meet the activity schedule.

#### **Comment:**

Four steps are considered in order to achieve the proposed Monitoring program and Evaluation Framework:

- a. Data collection, the organization will be responsible for compiling data and reporting to the Steering Committee (SC) and the World Bank
- b. Semiannual evaluations, which will coincide with supervision missions to identify and discuss lessons learned during implementation with project stakeholders and beneficiary.
- c. Mid Term Reviews the first will take place no later than 12 month after the first disbursement. The Bank's supervision team, together with a team of external reviewers and key stakeholders, will conduct a midterm evaluation of the project execution.
- d. A Final Evaluation will be conducted during the last 2 months of the Project execution to assess attainment of the Project results; and that of the REDD strategy and its action plan.

### **Standard met**

#### **In Summary:**

Component 1 a)	Standard met
Component 1 b)	Standard met
Component 2 a)	Standard met
Component 2 b)	Standard partially met
Component 2 c)	Standard met
Component 2 d)	Standard met
Component 3	Standard partially met
Component 4 a)	Standard partially met
Component 4 b)	Standard partially met
Component 5	Standard met
Component 6	Standard met