Mid-term Progress Reporting Template Version 1, for Country Use (August 27, 2012)

Mid-Term Progress Reporting

for Country: ARGENTINA

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Forest Carbon Partnership Facility (FCPF)

Readiness Fund

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Note: <u>FMT Note 2012-7 rev</u> lays out the process for REDD Country Participants to submit, and the Participants Committee (PC) to review, mid-term progress reports and requests for additional funding of up to US\$5 million.

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under Argentina's REDD+ preparation process framework

1. An overview of the progress made in the implementation of the R-PP

The Country provides an overview of progress to date in achieving the four main components of the R-PP and their respective sub-components presented below, against the original proposal. The Country presents in each sub-component: (i) what has been achieved to date (outputs and outcomes); (ii) some analysis of these results including major constraints and gaps that need to be addressed; (iii) other significant readiness work in progress; and (iv) if applicable, request for additional funding to the FCPF, to implement outstanding activities relevant to that sub-component. The proposed format mirrors the structure of the Readiness Package (FMT Note 2012-6). Specifically,

1.1 REDD+ Process in Argentina

Within the framework of the REDD + preparation process, the country has made different levels of progress. The progress of the components and activities that correspond specifically to the FCPF Project is summarized below.

The measurement table of the progress state was made following the parameters of "Guide to the FCPF Readiness Assessment Framework, June 2013."

Measurement of progress status of FCPF Project components

Green = significant progress;

yellow = progressing well, further development required;

orange = further development required;

and red = not yet demonstrating progress.

COMPONENTS AND ACTIVITIES OF FCPF PROJECT	State of Progress
Component 1: REDD + Management Scheme and Complaint Resolution	
Audit of the Financial Statements. Irregular period from 12/20/2016 to 12/31/2018 and 2019.	
Project Implementation Unit (HR, management expenses, audit 2019/2020, among others).	
Consultancy for the technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and MRRRS	
Component 2: Development of a REDD + strategy	

Legal consultancy for the structuring of the Trust Fund for the Environmental Protection of Native Forests	
Economic Consulting - Economic valuation of PANBCC mitigation measures and quantification and characterization of producers for projects of sustainable management of native forests	
Restoration Opportunities Assessment Methodology (ROAM) Argentina to identify and evaluate forest landscape restoration opportunities	
Installation of Remedible Forest Inventory Plots. Lot 1 - BAP forest region, Lot 2- MNT, ESP and PCH forest region and Lot 3 - MNT and PCH forest region	
Lot 1	
Lot 2	
Lot 3	
Consultoría para el desarrollo técnico y financiero del Fondo Fiduciario de Protección Ambiental a los Bosques Nativos - Sistematización de información sobre bosques nativos a nivel nacional y local - SESA, ESMF y MRyRC.	
Taller de intercambio de experiencias sobre implementación de mecanismos financieros	
Component 3: Strategic Environmental and Social Assessment	
Consultancy Impact of Livestock Policies and Strategies	
Consultancy for the technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and MRyRC.	

Under the political and strategic direction of the SGAyDS, the FCPF Project aims to assist in initiatives

related to REDD + in Argentina, particularly in the preparation of the necessary tools for the implementation of the mitigation measures already designed in the PANBCC.

The project is structured in three main components:

- Component 1 REDD + Management Scheme and Complaint Resolution
- Component 2 Development of a REDD + strategy
- Component 3 Strategic Environmental and Social Assessment

National Strategy REDD+

The Ministry of Environment and Sustainable Development of the Nation (SGAyDS), through the

National Directorate of Climate Change (DNCC), together with the National Forest Directorate (DNB), and with the support of the Collaboration Program of The United Nations for the Reduction of Emissions from Deforestation and Forest Degradation (National Program UN-REDD), developed the National Plan of Action of Forests and Climate Change (PANBCC).

The Plan was developed from a broad participatory process with multi-sector actors in all forest regions of the country described in section 1.2.1.2.

The PANBCC is a public policy instrument and an operational management tool whose general objective is to reduce emissions and increase the capture of greenhouse gases (GHG) through the strengthening of sustainable management of native forests. These objectives are in line with national and international commitments made by Argentina to the United Nations Framework Convention on Climate Change (UNFCCC), under the Paris Agreement.

For the preparation of the Plan, a set of technical studies (described in section 1.2.2.1) was carried out in all forest regions of the country (Chaqueño Park, Missionary Jungle, Bolivian Tucumano Jungle, Patagonian Andean Forest, Monte and Espinal). These technical studies were fed by key actors that integrated different platforms for technical and political dialogue, within the framework of the Participation Plan of the UN-REDD National Program described in section 1.2.1.2.

The PANBCC is institutionally inserted within the framework of a roadmap prepared by the DNCC for the creation of sectoral plans for climate change mitigation, which include plans to reduce emissions from the transport, energy and agriculture sector. In parallel, the DNCC has been promoting the development of a National Climate Change Adaptation Plan. This set of mitigation and adaptation plans will be integrated in the medium term into a National Climate Change Response Strategy, which aims to be approved by a national law. The PANBCC is detailed in section 1.2.2.2.

Within this framework, the FCPF Project aims to develop the necessary tools for the implementation of PANBCC, based on the quantification of the emission reduction potential of the measures at the property scale; the monitoring scheme for sustainable management, restoration and conservation projects; the design of financial tools for the implementation of all PANBCC mitigation measures; the analysis of risks and impacts of such measures and their corresponding social and environmental safeguards; the economic analysis of the measures; the prioritization of restoration areas, among others mentioned in section 1.2.2.3 II.

Forest Emission Reference Level

In relation to this pillar, the National Program UN REDD (PN UN-REDD), implemented within the scope of the DNCC of the SGAyDS, has recently concluded the first version of the document of the Level of Forest Emission Reference (NREF), which was presented to the United Nations Secretariat in January 2019. This document, currently pending review by the Secretariat, was the result of dialogues with key actors of the Technical Working Group made up of DNB and DNCC technicians who support the NREF development and strengthening of the National Forest Monitoring System (SNMB).

Attentive to the fact that this component was entirely developed and led by the UN-REDD National Program, the FCPF Project does not contemplate activities for it.

National Forest Monitoring System

Before beginning its REDD + process, Argentina already had a National Forest Monitoring System. Based on the existing developments, the UN-REDD PN directed efforts to strengthen and reinforce the existing system, while optimizing it in order to report what is required by the UNFCCC for REDD +.

These actions are grouped into four work axes:

i. Strengthening of the Terrestrial Satellite Monitoring System.

- ii. National Forest Inventory.
- iii. National Inventory of Greenhouse Gases.
- iv. Web Portal

A detailed presentation of such actions is developed in section 1.2.4.1 of this document.

For this component, the FCPF Project will support activities for the determination of the GHG emissions balance of the PANBCC measures and for the development of a Measurement and Monitoring, Reporting and Verification (MMRyV) system at the property scale of the mitigation measures of the Plan, regarding the usual practices as detailed in section 1.2.2.2.

Likewise, from the FCPF Project support will be provided for the development of one of the stages of the Second National Inventory of Native Forests as detailed in section 1.2.2.2.

Safeguards Information System

On the pillar of Safeguards Information System established in the framework of Warsaw for REDD+,

the SGAyDS has carried out the legal and institutional analysis to address and respect the safeguards of "Cancun", identifying breaches, gaps and needs and in dialogue with key actors that make up the Working Group on Safeguards and Social and Environmental Benefits of Forests. Work has been made on a general conceptual framework, at national level for the interpretation of each of the "Cancun" safeguards. This conceptual framework is based on the national legal and institutional framework, relevant to each of the safeguards, and was developed with the participation of key actors in the REDD + process. This will allow to unify the interpretation of these by the local jurisdictions at the stage of PANBCC implementation.

Likewise, the methodology, structuring and objectives of the first REDD + safeguards report to be presented to the UNFCCC during 2019 have been analyzed as detailed in section 1.2.4.2.

Under the FCPF Project, these inputs constitute the starting point that will be articulated with the strategic environmental and social evaluation (SESA) process stipulated by the World Bank's environmental and social standards. From there, an environmental and social management framework (ESMF) will be formed, including prevention, mitigation, reduction, compensation measures for possible social and environmental risks or impacts that may arise from the implementation of the PANBCC, as well as measures for potentializing benefits beyond carbon reduction. The process will include:

- The development of the procedural framework for each measure for its transparent and effective application;
- The design of tools or instruments necessary for its application;
- The identification of relevant actors and institutions for the fulfillment of each measure, the scheme of functions and competences, and the institutional arrangements.

On the other hand, as part of the FCPF Project, the specific environmental and social management instruments that make up the ESMF and derived from the strategic environmental and social evaluation will be developed. In line with this development, a communication plan for environmental and social management measures will be carried out as detailed in section 1.2.4.2. Both the SESA process and the ESMF development are part of the "Consultancy for technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and Feedback, Grievance and Redress Mechanism (FGRM) "that as of the date of this report is in the contracting stage.

1.2 Components of FCPF Argentina

1.2.1 Readiness Organization and Consultation

The REDD + process in Argentina is led by the SGAyDS, through the DNCC and the DNB. Within this framework, the SGAyDS is the competent authority to receive and manage the resources of projects and programs with international funding for the REDD + preparation process.

SGAyDS financially manages donations received for the preparation of REDD +; it forms the technical teams for its execution; performs the monitoring and evaluation of funds, technical inputs and scope of results that are planned based on such donations.

Likewise, a strong articulation work between the SGAyDS and the Secretariat of Agroindustry of the Nation is highlighted, for the technical and strategic definitions concerning REDD + in Argentina as detailed below.

1.2.1.1 National REDD Management Arrangements

For the development of the REDD + pillars in Argentina, the following institutional arrangements have been made:

UN-REDD National Program (PN) Project Board

It is a REDD + governance platform, in which the strategic aspects related to the UN-REDD PN are defined. Punctually, said Board meets annually to perform the following actions:

- Define and approve the Operational Work Plan.
- Review and evaluate progress, as well as make technical and strategic recommendations.
- Approve the financial management of UN-REDD PN.
- Provide political and strategic guidance to UN-REDD PN.

The Board is chaired by the Secretary of Climate Change and Sustainable Development of the SGAyDS, and is composed of: representatives of the DNCC and representatives of the DNB of the SGAyDS; representatives of the Secretariat of Agribusiness; representative of the Ministry of Finance; representative of the Federal Environment Council (COFEMA); representative of the Ministry of Foreign Affairs and Worship; representative of the United Nations Development Program (UNDP); UN Environment representative and representative of the Food and Agriculture Organization (FAO). Also, as an observer: representative of the area of Native Peoples of the SGAyDS; Argentina Wildlife Foundation and Environment and Natural Resources Foundation.

UN-REDD PN Project Operating Unit

For the technical, administrative and financial management of UN-REDD, an operational unit was formed consisting of: a technical link from FAO, a technical link from UN Environment, a technical link from UNDP, a specialist in native peoples, an administrative manager, an accountant, and a technical coordinator of the Program.

FCPF Project Steering Committee

This is constituted as a high-level decision-making body, providing general guidance for the implementation of REDD + Preparedness Activities in order to ensure that the actions of the FCPF Project are aligned with the objectives set forth in the National Determined Contribution (NDC) from Argentina.

The Board of Directors is chaired by a representative of the SGAyDS and is composed of a representative from the following areas of government:

- National Directorate of Environmental Planning and Arrangement of the SGAyDS Territory;
- b. Secretariat of Climate Change and Sustainable Development of the SGAyDS;
- c. Federal Environment Council (COFEMA);
- d. National Directorate of Financing with International Credit Organizations (DNPOIC) of the Ministry of Finance;
- e. National Directorate of Environmental Management of the Ministry of Agribusiness

In the definition and design of the different activities planned within the FCPF Project, the substantive areas of the Board of Directors have been convened and participated for their input and vision and for the contribution with relevant background in different areas of the SGAyDS and other government spaces to feed the country preparation process for REDD +. Specifically, the technical team of the National Directorate of Environmental Management of the Ministry of Agribusiness, as well as the technical team of the Secretariat of Climate Change and Sustainable Development and the team that previously formed the National Directorate of Environmental Planning and Arrangement of the

Territory, have participated in the definition, review and suggestion of expert teams for the terms of reference of the following project consultancies:

- Economic Consulting Economic valuation of PANBCC mitigation measures and quantification and characterization of producers for projects of sustainable management of native forests.
- Consultancy for the technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and MRyRC.

At the same time, with the three teams mentioned above methodological discussions are made for the progress of the project. Specifically, we can mention as an example the participation of the technical team of the National Directorate of Environmental Management of the Ministry of Agribusiness in the methodological technical discussions with the consulting team of the Economic Consulting in conjunction with the National Forest Directorate and the Project team. Similarly, the team of the Secretariat of Climate Change and Sustainable Development participates in the decisions on evolution and in the evaluation of the Consultancy Impact of Livestock Policies and Strategies.

Advisory Committee of REDD+

The Advisory Committee for REDD + is constituted as a consultative body, composed of representatives of civil society and that functions as a support body for the Board of Directors providing support on technical, social, environmental, economic and financial issues for the implementation of the Activities of Preparation.

The Advisory Committee is currently made up of the following members:

- a. Association of Argentine Banks (ADEBA);
- b. Environment and Natural Resources Foundation (FARN);
- c. Wildlife Foundation (FVS);
- d. National Directorate of Programs and Projects with External Financing of the Office of the Cabinet of Ministers (DNPPFE JGM);
- e. Federal Environment Council (COFEMA).

The Board of Directors and the Advisory Committee were established on March 15, 2017. The first meeting of both estates was held on August 2, 2017.

The members of the Advisory Committee are convened for activities that are addressed from the General Coordination Unit of the Secretariat and from different areas of the SGAyDS within the framework of REDD + addressing issues of climate financing, the implementation of PANBCC, the National Restoration Plan, among other.

Project Implementation Unit (PIU) of the FCPF Project

For the technical, administrative and financial management of UN-REDD, an implementation unit was formed consisting of: a Project Coordinator, an Administration and Finance Coordinator, a Procurement Coordinator; a Coordination Assistant; a SESA Coordinator.

This IPU was formed during the second half of 2017 and the first quarter of 2018. As of January 1, 2019, the SESA Specialist¹ and the Forestry Expert Technical Advisor joined the PIU work team.

In the month of December 2018, the PIU of the project moved from the National Directorate of Climate Change to the General Coordination Unit of the SGAyDS. This progress in the institutional structure of the Secretariat implies greater visibility and preponderance of the Project in line with the relevance of its objectives for the country's forest and climate policy.

From the point of view of the execution of the resources, the transfer of the Implementation Unit (PIU) and the Project Management from the Secretariat of Climate Change and Sustainable Development to the General Coordination Area of the SGAyDS allowed the PIU to make the activities to be carried out under the Project as a priority, facilitating access to resources within the framework of budgetary limitations valid in the National Public Administration. At the same time, this transfer allows to accelerate the processes that require the intervention of the legal and administrative areas of the Secretariat, to advance in the presentation of the reports of resources and in the request for disbursements, to articulate in a more efficient way the activities and the technical advice required by the project with the Forest Department and other relevant areas of the SGAyDS for the purposes of project execution.

The transfer of the project also allows a more direct articulation with the National Forest Directorate and other areas of the SGAyDS involved in the implementation of the PANBCC and with the activities

¹ Prior to January 1, 2019, the UN-REDD SESA Specialist supported the FCPF Project in everything related to the SESA component.

that complement it.

At the same time, the management of the project from the General Coordination Unit allows greater agility in the administrative and financial processes linked to the requirements of the National Public Administration while involving the PIU team in actions complementary to the reference issue such as the management of the Trust Fund for the Environmental Protection of Native Forests or the work on climate finance aimed at native forests.

Finally, it should be noted that the PIU of the FCPF Project and the PN of UN-REDD PN work jointly, in technical and strategic matters, in all the work framed in the REDD + process in Argentina.

1.2.1.2 Consultation, Participation, and Outreach

The following are the consultation, participation and outreach platforms of the REDD + process in Argentina. Some of these are already existing platforms, with competences in the field of climate and / or forestry policy on which the UN-REDD PN has supported for consultation and participation actions in REDD +. These are: the GNCC and COFEMA (detailed below). Others are spaces that have been created by the same UN-REDD PN, with a view to consolidating spaces where to participate, provide feedback and define technical and strategic aspects detailed below.

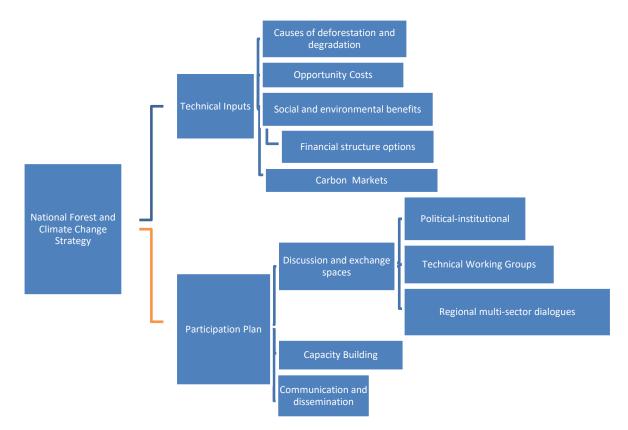
It should be clarified that, as until now, most of the progress related to the REDD + process in Argentina was carried out and financed under the UN-REDD PN. The detailed information of participating actors and institutions, activities carried out, results obtained, and main definitions, are in the process of systematization and consolidation by the technical team of such Program. Although the information is available at the request of any interested party, it is not yet available for disclosure. However, such information will be integrated into the final report of the FCPF Project.

Therefore, the information provided below, related to the consultation process, participation, outreach, technical studies, etc. is the one available at the moment, authorized by the SGAyDS to be disclosed.

I. Consultation and participation

Below is a graph about how PANBCC was fed by a combination of technical inputs and participatory processes:

PANBCC Articulation scheme



Political and Institutional Spaces

National Climate Change Cabinet (GNCC): To facilitate the adoption of climate change policies and the assumption of commitments from the UNFCCC and the Paris Agreement, the National Executive Power created the GNCC, through Decree 891/2016. The Cabinet is made up of seventeen ministries and secretariats (fourteen originals in the decree and three at the request of the ministers) 6 of them with competence on sectoral mitigation and adaptation policies, and is chaired by the Chief of Cabinet of Ministers and technically coordinated by the SGAyDS through the DNCC. Of these ministries and secretariats that make up the GNCC, the Ministry of Agribusiness and the Ministry of Finance, are the most relevant for the REDD + preparation process in Argentina. The GNCC aims to design coherent, consensual and strategic-looking public policies to reduce GHG emissions and generate coordinated responses to the impacts of climate change.

The development of activities is articulated in four instances of increasing openness, beginning with the *Bureau of Ministers*, where the general political guidelines are defined. The next instance are *Sectoral Bureaux* formed by the designated focal points of each ministry, to attend aspects related to each sector (Agro and Forests; Climate Financing; Education; among others).

Another instance of articulation is the *Expanded Bureau* that is convened at least twice a year to give participation in the definitions of the GNCC to academic, research, non-governmental and workers' organizations, to representatives of the private sector, among others. The objective of the expanded instances is to strengthen the information used, give transparency to the process, validate the contents and open a space to obtain opinions and suggestions that contribute to achieving openly agreed plans.

The UN-REDD PN and the FCPF Project rely on this Argetina climate governance platform for strategic definitions relevant to the country's REDD + Process. Specifically, at the Agro and Forestry sector bureau, needs for technical studies for REDD + have been identified, and they have participated in the elaboration of terms of reference and review of results. On the other hand, before the Bureau of Ministers the PANBCC has been presented, and not having objected to it, the document was validated at the political level. Finally, before the Expanded Bureau, the advances of REDD + in Argentina have been socialized and the PANBCC has been disseminated.

Federal Environment Council (COFEMA): The PANBCC has been discussed with the commissions of native forests and climate change of COFEMA, a space made up of representatives of the 23 provinces of the country and the City of Buenos Aires. In these spaces, relevant technical and strategic aspects were determined in the REDD + process of Argentina, so that the PANBCC represents the singularities of all the forest regions of the country, as well as so that their measures meet all the problems of deforestation and degradation of this.

Actor Participation Plan

To undertake the work of conformation of the PANBCC, the PN UN-REDD formed an Actor Participation Plan to outline different dialogue and feedback platforms for the construction of the Plan. The Plan also aimed to strengthen multisectoral dialogues, involving representatives from different sectors of civil society and government groups, both local and national, as well as academia and private sector.

The platforms created by said Plan and how they articulate with existing ones are mentioned below:

Trainings in Forests and Climate Change

In order to ensure duly informed participation by key actors, two trainings were held, of three full days each, in 2016 and early 2017, where REDD + forest and climate change capacities were strengthened to representatives of COFEMA, NGOs, actors of national government, private sector and academia.

Regional and multisectorial dialogue meetings²

Theses are spaces for dialogue with sub-national actors from different government sectors (national, provincial and municipalities); private sector; social and environmental organizations (NGOs); native people; small and medium producers; settlers and communities; and technical and academic sector. They were structured based on the grouping of provinces for each of the 6 forest regions: Missionary Forest, Tucumano-Bolivian Forest, Patagonian Andean Forest, Chaqueño Park, Monte and Espinal.

Agreement with local partners

Attentive to the diversity of forest regions, both in environmental, social and cultural aspects, the UN-REDD PN entered into collaboration agreements with local institutions with knowledge and work experience in forestry regions according to the following detail:

- Jungle Missionary: it was supported by the Argentine Wildlife Foundation;
- Tucumano-Bolivian Forest: it was supported by the ProYungas Foundation; Y
- Patagonian Andean Forest: the Andean Patagonic Forest Research and Extension Center (CIEFAP) collaborated.
- Parque Chaqueño: collaboration of the Forest Directorates of the provinces of Chaco and Santiago del Estero was provided.
- Monte and Espinal: COFEMA support was obtained

The role of the entities was:

- Support the UN-REDD PN in the mapping of actors.
- Support the development and coverage of technical aspects for the effective understanding of the circumstances and realities of each forest region.
- Support the logistics organization of the meetings.
- Technically support the participation process
- Support with the systematization of results.

² The details of participants, work dynamics, systematized results, among other relevant information, are still in preparation for dissemination and will be integrated into the final report.

Agreements with the dialogue facilitator team

In order to ensure an equitable, transparent dialogue and where all voices are heard equally, the UN-REDD PN made a collaboration agreement with the Democratic Change Foundation, in order to:

- Obtain technical support to ensure the proper call of all sectors.
- Obtain support in the design of participatory dynamics.
- Obtain support in the facilitation and moderation of the multisectoral dialogue.
- Obtain support for the systematization of results of each regional meeting.

Actors Mapping and Call

The mapping of actors for each forest region was a joint work between the operational unit of the UN UN-REDD, each of the local partners, the COFEMA representatives of the provinces that make up the forest regions, the National Forest Directorate and the Directorate National Climate Change.

Regarding the mapping of indigenous peoples, in addition to the above, work was carried out jointly with the Directorate of Native Peoples of the SGAyDS and the Indigenous Participation Council. The latter is a national space with regional sub-representations, where different communities of the country are represented.

For the organization of the rounds of meetings of regional dialogues, coordination workshops were carried out between partners, facilitator team and the two institutions of indigenous peoples mentioned above, where the roadmaps were agreed for the realization of all the meetings, with identical criteria and methodologies. Among other aspects, the institutions of native peoples assisted in the elaboration of the mapping of actors in order to guarantee adequate representation. Among several directives, it was agreed that the call must guarantee the balanced presence of chiefs, leaders, at least one "young" representative and one "old" representative of each community called. This methodology allowed to guarantee that indigenous participation ensures the voice, interests and knowledge of different generations within a community, as well as the participation of women and the possibility of mainstreaming³ the gender approach.

³ Transversalizing the approach means considering that all political, social and economic action has differential impacts on the lives of men and women based on the gender roles that society has built in each context.

After that, the Indigenous Participation Council supported the mapping of communities that live and depend on forests by forest region, to integrate the mapping.

For the realization of the call, the local partners gave support in the follow-up of the call, especially in the call for native peoples, farmers, settlers and small producers, through visits to the communities, making contact in a personal and direct way. Likewise, these partner entities also supported the preparticipation information that these communities require to ensure that such participation is equitable.

The local partners provided support in the identification of the most appropriate location for the workshops, considering the ease of transfer for all participants, and the time at which to do it, according to the climatic conditions (for example, in southern locations in winter season the snow makes access to certain sites difficult).

They also facilitated the transfer of communities, native peoples, peasants that are distant from urban centers and the regular transport service.

Facilitation of dialogue

The group of dialogue facilitators moderated the debates of each working group (6 or 7 per regional meeting), tending to ensure that the voices of all sectors can express themselves equally and consensus can be reached.

Special focus was placed on the participation of the native peoples sector. The facilitating team had specialists in indigenous dialogue, so that the sector can express its worldview in the dialogue with the other sectors. In addition, a translator was made available for those who do not speak Spanish.

The facilitators of each table helped the participants to exchange views and reach consensus.

The technical team of the UN-REDD PN, the FCPF and the National Forest Directorate, accompanied the work of each of the tables, not as participants, but as technical support in the dialogue.

At the end of the day, each of the results of the tables were presented in plenary and the facilitator team helped to make a general synthesis of the main agreements of all the tables.

Therefore, a gender approach to the PANByCC is mainstreamed, so that it does not generate larger gaps than those between men and women, while also tending to reduce such gaps.

Topics worked in the multisectoral regional meetings

Two rounds of multisectoral workshops were held:

a) First round: PABNyCC design stage (May to August 2017)

Its purpose was to work with the participants to identify the causes of deforestation and forest degradation, for each forest region, and to obtain proposals for strategic actions to address these causes. All these inputs were taken into account in the design of the PANBCC.

The participation methodology consisted of forming 6 or 7 work tables per regional meeting, where the different sectors convened were represented, and through previously established participation dynamics, perform the exercises related to causes of deforestation (day 1), and identification of strategic actions (day 2).

b) Second round: Roadmap towards the implementation of PANBCC (May to October 2018)

During the second round of regional meetings, the PANBCC document was presented and the participants worked on the prioritization of operational axes according to the regional context, as well as the design of specific implementation activities, for each province, of the actions and measures proposed in the PANBCC. The exercise included the prioritization of zones, time and how to perform them (day 1). Finally, a dynamic of identification of potential risks and benefits, both social and environmental, derived from the implementation of PANBCC (day 2) was carried out.

Technical Work Groups (WG)

These participation spaces are made up of relevant technical government actors (different ministries that make up the National Climate Change Cabinet, different areas of the SGAyDS, representatives of the Native Forests Commission and the Climate Change Commission of the Federal Environment Council), private sector, socio-environmental organizations, academic sector, and scientific-technical sector. In this way, the following working groups were formed:

- Working group on causes of deforestation.
- Working group on safeguards and social and environmental benefits of forests.
- Working group of native peoples.
- REDD + financial structure and financing working group.
- NREF / NRF technical working group and strengthening of the National Forest Monitoring

System (SNMB).

The purpose of each of these spaces was to discuss and provide feedback on technical studies produced within the framework of the UN-REDD PN on the way to the construction of the PANBCC.

They were carried out as they continued with the studies, during the course of 2016, 2017 and 2018 and continue in the current year in the cases in which the studies exceed the design of the PANBCC and are still in different stages of developing.

Virtual Participaation Tools

During the preparation stage of the PANBCC, two online surveys have been conducted aimed at a broad audience linked to the forest and climate change sector, to receive contributions from the first draft of the Plan. These were systematized and will be considered for new versions that the document will gradually acquire.

Work process on native people

In 2016, the UN-REDD PN began a work process with the National Directorate of Native Peoples (DNPO), other technical areas of the SGAyDS, NGOs, the National Institute of Indigenous Affairs and the Ombudsman's Office, which aimed to promote a space for dialogue and reflection on the participation of indigenous peoples in the framework of the REDD + process, forming a Working Group of Native Peoples (mentioned above).

As a result of these dialogues, it was agreed to conduct a guide for the participation of native peoples aimed at technicians who implement projects framed in REDD + in the future, in order to strengthen their capacities to guarantee effective participation, respecting intercultural dialogue and established rights by the international and national legal framework in the matter. This guide is in the process of preparation for dissemination.

II. Outreach

Outreach Activities

The aforementioned participation process is accompanied by different dissemination actions on the theme of forests and climate change, and the progressive progress in preparing the country for REDD +, which aims to strengthen transparency in the dissemination of information with groups of interest and the general population. The actions are carried out by the technical communication teams of the

SGAyDS and include the following activities:

- Dissemination of monthly newsletter of activities related to the country's progress in preparing for REDD+.
- Production of audiovisual pieces related to forests and climate change⁴.
- Creation of infographics, complete graphic edition and printing of PANBCC.⁵
- Preparation of technical studies for dissemination (preparation of abstracts, graphic design, general edition, etc.), both for technical and general public recipients and decision makers.⁶

III. Continuity of the participation process under the FCPF Project

The different spaces for dialogue and participation mentioned above, although they played a fundamental role in the preparation stage of the National REDD + Strategy (PANBCC), they are currently still valid as participation and consultation platforms, and are involved and strengthened in their capacities in the process described in point 1.2.1.2.A. The FCPF Project, whose objectives and products aspire to complete and strengthen the process of preparation for REDD + in Argentina, is supported by this instance of participation, in order to strengthen the path traveled by the UN-REDD PN.

The FCPF Project had its launch event in December 2017. During two days, international experiences of climate finance were presented aimed at forest and climate change projects at different levels, the PANBCC of Argentina was presented and work tables were developed in which different themes related to economic models and viable financial structures for financing reforestation, restoration, sustainable management and avoided deforestation projects were addressed. The event was attended by 130 people from different organizations, representatives of the Forestry Commission and the Climate Change Commission of COFEMA and representatives of REDD + from different Latin American

⁴ Available at <u>https://www.youtube.com/results?search_query=onuredd+argentina</u>

⁵ Available at <u>https://www.argentina.gob.ar/ambiente/sustentabilidad/planes-sectoriales/bosques</u>

⁶ Information on triptychs, infographics and other relevant disclosure documents can be found at the following links: <u>https://www.argentina.gob.ar/gabinete-nacional-de-cambio-climatico/salvaguardas-de-redd</u>

https://www.argentina.gob.ar/gabinete-nacional-de-cambio-climatico/caja-de-herramientas

countries.

Subsequently, key aspects linked to SESA and ESMF were shared with actors in dialogue processes on safeguards held within the framework of the UN-REDD PN, such as the Dialogue Meeting on Safeguards, held in March 2018, where experiences were exchanged and lessons learned about the articulation of the "Cancun" safeguards and the World Bank operational policies, with colleagues from Mexico, Costa Rica, Colombia, Ecuador, Chile and Argentina.

On July 2 and 3, 2019, the ROAM Methodology Launch Workshop for Argentina was held, where 30 representatives⁷ of key institutions at the subnational level met to accompany the process in the country in terms of restoration of native forests. The restoration actions are part of the PANBCC within the framework of the Strategic Operational Restoration and Recovery Axis⁸.

1.2.2 REDD+ Strategy Preparation

1.2.2.1 Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance

I. Assessment of Land Use

Attentive to the availability of information that the SGAyDS already had in advance to the start of the REDD + process on land use in Argentina, it was not considered necessary to conduct technical studies in this regard.

II. Land-Use Change Drivers

There have been two studies related to the change of forest land use: Study of Causes of Deforestation and Forest Degradation; and Study of Future Space Scenarios.

⁷ The institutions involved were: INTA Bariloche; Argentine Native Forests Foundation; Argentine Rural Society; National Park Administration; Argentine Wildlife Foundation; Argentine Forest Association; Native Nursery Network; Gran Chaco Foundation; CIEFAP; Secretariat of Government of Agroindustry of the Nation; National UN-REDD Program of the SAyDS; National Forest Directorate of the National Environmental Area; Project Cooperative Fund for Forest Carbon; National University of Missions; Directorate of Forests and Land Management and Use of Jujuy; IADIZA, Ministry of Ecology of Missions; Friends of Patagonia; National Directorate of Conservation, Formulation and Management of Salta; San Martín University Settlement; LOF Mapuche Vera; GADE; National Forest Commission of COFEMA; Subsecretariat of Water Resources of Tucumán; Argentine Restoration Network; Carlos Thays Botanical Garden; The Nature Conservancy; and Pastoras del Monte.

⁸ More information available at <u>https://www.argentina.gob.ar/noticias/se-presento-la-metodologia-de-evaluacion-de-oportunidades-de-restauracion-del-paisaje</u>

Study of the causes of deforestation and forest degradation⁹

This input was relevant as part of the PANBCC development process, which is the result of the combination of an analytical process (technical studies) and participatory (dialogues with key actors) developed previously.

The study was carried out by a group of expert consultants who will carry out an identification and analysis of causes of deforestation and forest degradation. This study was carried out for the six forested regions of the country (mentioned above), and consisted of an intertwining work:

- the bibliographic review of national and international scientific articles relevant to the object of study;
- interviews with key actors in the territory in all forest regions (producers, decision makers, native peoples, academics, representatives of civil society organizations) in order to gather context information for each region; achieve the understanding of social and environmental dynamics specific to each region; and validate scientific data obtained from the literature review, among other objectives

With the methodology used in the study, we sought to distinguish between:

- Direct or primary causes of the change in land use and coverage: these are land management and land use strategies applied to convert existing coverage from one type to another, or to modify it. For example, the expansion of infrastructure (roads, pipelines, power lines, dams), agriculture, livestock, or forest extraction and mining, are direct causes of deforestation or forest degradation.
- Deep or underlying causes: are those factors that influence the decision on the change of land use and the management to be applied and that answer the question "why a land use, or a specific management and not another?". These can operate diffusely and affect the direct causes. For example, demographic dynamics, markets, technological innovations, property rights and customs or traditions are underlying causes.
- *Predisposing factors:* such as climate change or fires due to natural causes.

⁹ The study is in the process of preparing for dissemination. The results presented in this report are those authorized to be disseminated by the SGAyDS.

Regulatory factors: such as the availability of tools for sustainable management, the actions
of science and technology organizations, governance. These factors can act by regulating or
balancing the primary or underlying causes.

These last two can act by balancing or regulating the direct or underlying causes, or by intensifying them.

These aspects are analyzed based on a conceptual framework of "causal models" and "position analysis". The first is the construction of graphic models that relate the variables of a system, establishing connections and relationships between those variables, linking them by their causal relationships. From causality diagrams it is possible to detect the variables that have the greatest weight in the behavior of a system, its tendency and the feedback that tend to stabilize or reinforce its dynamics.

Based on the literature review and interviews with actors, causal models were constructed for each of the forest regions of Argentina and a consolidated model at the national level.¹⁰

The second step of the PANBCC elaboration process refers to the analysis of interests and capacities to decide on the land use of groups and social actors that participate and / or receive impacts of such decisions. In this way the conflicts of interest, the possible articulations, the aspirations of each group are analyzed. Interviews were carried out with primary actors (producers or agricultural companies); secondary actors that are those institutionalized to affect decisions of primary actors (national, provincial and municipal government); and interested actors, who are those who have the power to influence the decisions of primary and secondary actors but without the power to affect formal norms (NGOs, science and technology institutions, civil and professional associations, society in general). Through these interviews, maps of these actors and interests were drawn up.

Articulation of the study with the actor participation process

This study was fed back by different relevant national and sub-national actors, within the framework of the different instances of participation established by the UN-REDD National Program described in section 1.2.1.2.1. Specifically, in the technical working group of causes of deforestation and forest degradation and the first round of Multisectoral Regional Dialogue Meetings held in 2017.

¹⁰ This information is being prepared for publication by the SGAyDS.

In this analytical and participatory process, a set of environmental, economic, institutional and cultural causes of the loss of native forests for each forest region were characterized. These causes are:

- The expansion of land use for agricultural purposes, as a result of a competitive and profitable agribusiness model in the short term, favored by the incorporation of new technologies (genetically modified organisms, direct sowing, precision harvesting, among others) and for the high prices of agricultural products worldwide;
- The displacement of livestock from the Pampas region towards lands occupied with forests;
- Population growth, urban expansion without planning or control and large-scale real estate developments;
- The lack of social and environmental valorization of forest services;
- Forest fires, both natural and intentional; Y
- Legal insecurity in land tenure, weak control and control policies, and political and institutional disarticulation.

Through participatory exercises in the Meetings of Regional Multi-sector Dialogues (described in point 1.2.1.2.I), proposals for actions to combat, address, reduce or mitigate such causes of deforestation and degradation identified were agreed.

Then, all these inputs were systematized by an expert consultant and the technical teams of the National Directorate of Climate Change. After the analytical process, the first options of actions and measures of the PANBCC were prepared, which was completed at the end of 2017

Tudy of Future Space Scenarios of Deforestation

The objective of this was to elaborate alternative future scenarios of spatially explicit land use changes for the year 2030, under assumptions of high ¹¹ and low intensity ¹² of expansion of the rural productive sector of Argentina, as well as a trend scenario ¹³. From this, the study identifies priority areas for REDD

¹¹ Characterized by high demand for commodities; application of environmental legislation; new crop varieties; very favorable climate cycle; Great investment in infrastructure.

¹² Characterized by low / medium demand for commodities; strong environmental legislation and planning; support to small and medium producers; and search for productive diversification.

¹³ This scenario assumes that the context situation and the factors that influence the deforestation process will remain the same; and will operate with intensity and magnitude by 2030, as they did in the last period (2007-

+ based on probability of deforestation in different scenarios¹⁴.

The forested regions where it was carried out were: Tucumano Boliviana Forest, Chaqueño Park and the Missionary Forest.

The study was carried out using the Ego Dynamics methodology, a platform that allows spatially explicit simulation (maps) of future scenarios based on spatial data from the past. It considers 3 principles of simulation models of land use changes: (1) continuity of historical development; (2) susceptibility of the site to be transformed and; (3) neighborhood interactions. It analyses the relationships between the factors that determine changes in land use (explanatory variables) and changes in those sites (independent variable). The calibration of the model was performed following 7 steps: 1) Selection of analysis periods; 2) Generation or selection of land use maps; 3) Estimation of the rate of change of each class through transition matrices; 4) Selection of explanatory variables; 5) Generation of susceptibility maps of land use changes; 6) Generation of simulated land use map (at a time when real information is available) and; 7) Model validation. Once the models were validated, simulations were carried out in the future (future scenarios).

Currently the study is being updated to 2050 scenarios, with identical methodology¹⁵.

Another relevant study

Although it is not part of the studies of land use change, it is worth highlighting a relevant study for the construction of PANBCC, the Study of Social and Environmental Benefits of Forests.

It was developed in all forest regions of the country, intends to identify spatially the most relevant possible areas to intervene in the framework of REDD +, promoting co-benefits. The study was fed back by the Technical Working Group on Safeguards and Social and Environmental Benefits of Forests. The document is in preparation for dissemination.

This study also provides inputs for the work of social and environmental risks and impacts, which are described in section 1.2.2.4.

²⁰¹⁴ or 2010-2015, depending on the region).

¹⁴ In preparation process for its dissemination.

¹⁵ The results will be disclosed once the study is over.

Like the study of causes of deforestation and forest degradation, these analyzes were fed back with the Technical Working Group on Causes and Deforestation and Forest Degradation.

III. Forest Law, Policy and Governance

Once the PANBCC was prepared, a new cycle of Regional Sectoral Dialogue Meetings was held in 2018 to present it and raise inputs to refine a roadmap for its implementation at the provincial level.

This meeting consisted of an exercise carried out by the participating multisectoral actors organized by provinces, who prioritized strategic axes of the PANBCC according to the local context, identified priority areas for its implementation, a schedule and actions to implement such a prioritized axis, and actors and institutions with whom to perform them. These inputs, not yet available for dissemination, will be presented as a proposal agreed by relevant provincial actors, for the implementation of PANBCC.

1.2.2.2 REDD+ Strategy Options

As a result of the analytical and participatory process mentioned in point 1.2.1.2.1, in November 2017, the first version of the PANBCC (National REDD + Strategy) was reached, which was presented at COP 23 of BONN and before the Secretariat of the UNFCCC in January 2019.¹⁶

The Action Plan aims by 2030 to implement policies, measures and actions for the sustainable management of its native forests, in order to reduce its vulnerability to climate change and that of the communities that depend on them. Additionally, deforestation and forest degradation, and consequently GHG emissions, will have been reduced, and the restoration and recovery of native forests and, thus, associated GHG catches will have increased.

Having understood the current state of the country's native forests and outlined a scenario for their development by 2030, a series of strategic axes and measures and actions aimed at reducing deforestation and degradation of native forests were established, and promoting its restoration and recovery.

¹⁶ Documents available in the following links:

https://www.argentina.gob.ar/ambiente/sustentabilidad/planes-sectoriales/bosques

https://redd.unfccc.int/files/4849_1_plan_de_accion_nacional_de_bosques_y_cambio_climatico_argentina.pdf

The strategic axes are classified as structural and operational.

The structural strategic axes (EEA) are those that allow, through actions, to overcome the barriers and structural needs for the implementation of the PANBCC. That is, actions of a transversal nature that are necessary to achieve the proposed objectives, but which are not counted as emission reductions. These are:

- EEA 1. Strengthening governance.
- EEA 2. Strengthening of local communities.
- EEA 3. Strengthening of management, control and monitoring capabilities.
- EEA 4. Recognition of the importance of native forests as a good for society.
- EEA 5. Knowledge management.

The strategic operational axes (EEO) are actions that represent direct interventions on native forests and, therefore, allow quantifying GHG emission reductions. These are:

- EEO 6. Territorial planning.
- EEO 7. Sustainable forest management.
- EEO 8. Conservation in productive landscapes.
- EEO 9. Restoration and recovery.
- EEO 10. Prevention of forest fires.

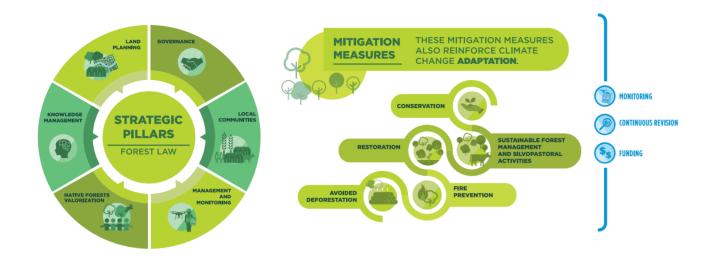
These Axes allow establishing a GHG reduction objective that would allow the fulfillment of the National Determined Contribution goal, contributing to the reduction of 27 MtCO2eq in the year 2030.

PANBCC operational strategic axes

Operational strategic axes	Measurements	Description
EEO 6. Territorial planning.	Deforestation avoided	The measure aims to prevent deforestation of the surface of native forests in risk areas that do not have plans funded by law 26,331 or other sources
EEO 7. Sustainable forest management.	Sustainable management of native forests (forest exploitation and management with integrated livestock)	The measure aims to implement sustainable management plans for Forest Exploitation (AF) and Forest Management with Integrated Livestock (MBGI) activities funded by law 26,331
EEO 8. Conservation in productive landscapes.	Conservation of native forests	The measure consists of the implementation of conservation plans in green and yellow areas within the framework of Law 26,331 of Territorial Planning of Native Forests (OTBN)
EEO 9. Restoration and recovery.	Restoration and recovery of native forests	In the missionary jungle region, the measure seeks the natural recovery of forests with capueras (successive forests) in previously deforested or degraded areas
		In the Chaco Park region, the objectives are the recovery of the forest structure in the silvopastoral systems that lost it and the restoration of degraded forests around cattle ranches
		In the case of priority areas, it seeks to restore degraded forests and areas without native forests
EEO 10. Prevention of forest fires.	Forest fire prevention	The measure consists of the implementation of plans to reduce fuels (fine and coarse) and other prevention activities (firewalls), mainly in the Patagonian and Spinal Andido Forest regions.

Below are graphically presented structural strategic axes, operational strategic axes and mitigation measures of the PANBCC.

PANBCC axis and measurement scheme



As mentioned, the strategic REDD + options were developed with support from the UN-REDD PN. Therefore, the FCPF Project promotes activities related to the implementation framework of those strategic options described in section 1.2.2.3.

In this sense, the process of acquiring the consultancy service for the realization of Strategic Environmental Assessment (SEA) of Livestock Policies and Strategies on the Native Forest is being promoted. The objective of the consultancy is to carry out an SEA of the current livestock policies, both national and sub-national, that are implemented in the forest region of Parque Chaqueño, in order to determine their impact on deforestation and / or forest degradation and their impact in the implementation of PANBCC.

The results of the SEA will serve as inputs for decision-making, aiming at coherence between national policies, and the alignment of these with the country's international commitments.

Through the SEA, the identification and analysis of policies that drive decisions signed by productive ones with an impact on the native forest are sought, to determine the reforms or new policies that are most effective to achieve the objectives of the PANBCC, and those that could potentially neutralize or discourage the support generated by the financial tools to be designed under the FCPF Project.

1.2.2.3 Implementation Framework

I. UN-REDD NP Inputs

Between 2015 and 2016, the UN-REDD NP carried out the "Study of Sources of Financing for REDD + and possible financial structures for REDD+, including legal and institutional aspects". This study was fed back by the REDD+ Financial Structure and Financing Working Group. The document is in preparation for its dissemination and provided inputs for the design of a financial structure, today formed by the Trust Fund for the Environmental Protection of Native Forests, developed in the following section.

On the other hand, a study of Forest Carbon Markets was also carried out. The study was fed back by the REDD + Financial Structure and Financing Working Group.¹⁷

As mentioned in section 1.2.2.1, based on the development of the PANBCC described in point 1.2.2.2, in 2018, the second Round of Multisectoral Dialogues was carried out with the technical support of the FCPF Project, in which work was done with the First Round participants, in the following aspects:

- The prioritization of the operational axes of the PANBCC according to the provincial context;
- The design of a proposal for specific intervention activities (identifying possible priority areas, moments and how to carry them out);
- The identification of potential social and environmental risks and benefits.

These inputs aspire to conform as a fundamental material for sub-national decision makers in the PANBCC implementation stage.

II. FCPF Project Inputs

Having the UN-REDD PN completed with the PANBCC, the FPCF project promotes different actions to consolidate and strengthen a framework for the implementation of said Plan. The main focus is on the resolution of existing barriers to the implementation of PANBCC. These barriers have been identified as a result of an analytical exercise carried out by the technical teams of the SGAyDS, and are of a regulatory / fiscal type (existence of incentives for the development of non-sustainable activities), financial (lack of access to credit, or cost of credit) and economic (environmental services not valued);

¹⁷ Available at https://drive.google.com/file/d/12RSMWa6phnCmR8OHKpyNz-BtoJNOJAsM/view

among other. These are possible obstacles that may arise during the stage of implementation of the Plan, which hinder the execution of the Plan and the possibility of achieving the desired objectives.

To that end, the FCPF Project seeks to support the following medium-term goals:

- (i) Identify improvements in the design of national and local public policies (focusing on agriculture) in order to avoid negative incentives applicable to forests, and align regulatory and economic objectives with the PANBCC;
- (ii) Contribute to remove financial barriers so that the activities leading to the achievement of the PANBCC objectives are profitable and sustainable in the future;
- (iii) Design the GHG emission reduction monitoring system for different sustainable management activities, in order to allow the eventual recovery of carbon assets

To meet the regulatory and fiscal barriers, the FCPF Project is promoting the study of Strategic Environmental Assessment (SEA) of Livestock Policies and Strategies on the Native Forest, in order to understand the contradiction or lack of complementarity that may exist between the livestock policies and PANBCC measures.

On the other hand, in order to meet the institutional barriers regarding monitoring, the Project proposes the development of monitoring activities related to the determination of the GHG emissions balance of the PANBCC measures and the proposal of a Monitoring and Measurement System, Report and Verification, with respect to the usual practices, of the five mitigation measures (conservation; sustainable use; restoration and recovery; forest fire prevention; avoided deforestation); as well as the installation of Remedible Forest Inventory Plots for certain lots in the forest regions of Monte, Espinal, Parque Chaqueño and Andean Patagonian Forest.

To address financial barriers, the study of climate finance tools is being promoted within the framework of the Trust Fund for the Environmental Protection of Native Forests, in order to support the development of projects linked to PANBCC mitigation measures.

In order to meet the economic barriers, the Economic Valuation study of the mitigation measures of the PANBCC began (detailed in section 2.1). The relevance of the ROAM process, which Argentina has recently initiated, financed by the FCPF Project in order to evaluate forest landscape restoration opportunities is also highlighted; as well as consulting for the SESA process. All of them will allow the valuation of economic aspects, as well as social and environmental aspects, beyond carbon, which must be contemplated in order to optimize the implementation of PANBCC.

In parallel to the development of these studies, the FCPF team is developing support functions for the management of the Trust Fund for the Environmental Protection of Native Forests. This fund is the mechanism defined by Argentina to implement the strategic options of PANBCC. The Fund was created under article 53 of Law No. 27.431 on General Budget of Expenditures and Calculation of Resources for the Year 2018, and is formed as an administrative and financial trust.¹⁸ All legal and institutional design actions of said Fund were funded by the FCPF Project.

The objective of the Fund is to support the development of actions related to the sustainable management, restoration and conservation of native forests in Argentina based on the parameters set by the laws and regulations that regulate each of the accounts. The Fund is made up of three fiduciary accounts to date:

- 1. "Native Forest and Climate Change Fund Account" integrated with funds raised under National Law No. 27.270, within the National Forest and Climate Change Action Plan whose objective is to strengthen the sustainable management of native forests in a manner to reduce their vulnerability to climate change, and that of the communities that depend on them; contributing to the reduction of GHG emissions through the reduction of deforestation and forest degradation and the increase of GHG capture through restoration and recovery of degraded native forests.
- "National Fund for the Enrichment and Conservation of Native Forests Account Law Nº26.331" integrated with resources provided by Article 31 of Law No. 26.331 and its regulatory and complementary regulations, in order to comply with the provisions of Article 35 of said Law.¹⁹
- "Account National Program for the Protection of Native Forests" integrated with resources provided for in Article 36 of Decree 91/2009 of Regulation of Law No. 26.331 which aims at the actions detailed in article 12 of Law No. 26.331 ".²⁰

This trust fund supports the implementation of PANBCC to the extent that it constitutes a financial

¹⁸ Law 27.431 General Budget of Expenses and Calculation of Resources for the Year 2018: http://servicios.infoleg.gob.ar/infolegInternet/anexos/305000-309999/305347/texact.htm 19 Law 26.331 Minimum Budgets of Environmental Protection of Native Forests:

http://servicios.infoleg.gob.ar/infolegInternet/anexos/135000-139999/136125/norma.htm 20 Decree 91/2009 Regulation of Law No. 26. 331:

http://servicios.infoleg.gob.ar/infolegInternet/anexos/150000-154999/150399/norma.htm

tool to channel and manage the financing of the Plan's measures, several of them financed by the National Budget for Law 26.331 on the Environmental Protection of Native Forests and the National Budget for the National Native Forest Program. Similarly, through the "Forests and Climate Change" account, donations and investments, national or international, of PANBCC mitigation measures can be managed financially.

Currently, the FCPF Project PIU is currently preparing the operating manual of the trust fund to establish the operating rules of each of the aforementioned sub-accounts. This will allow to contemplate clear and transparent rules of administrative and financial management of public funds that are managed through this fund.

In this way, in conjunction with the financial tools that are designed, the trust fund will allow the PANBCC to be implemented.

On the other hand, within the actions corresponding to the PANBCC implementation framework mentioned above, the FCPF Project is driving the process of acquiring services for the design of a "Feedback, Grievance and Redress Mechanism" (MRRRS, its acronym in Spanish) to the preparation and implementation of REDD + by the SGAyDS.

This mechanism will be based on existing mechanisms and will integrate the adjustments and / or arrangements that will be required. Its operation will be designed for the reception and registration, analysis and evaluation, attention, treatment, response, supervision and documentation, as well as for the communication of complaints and suggestions. Likewise, the scope, functions and competences of the different areas of the SGAyDS and other national and sub-national institutions involved will be established.

This mechanism should be designed considering the multiculturalism that characterizes the communities and populations of all forest regions of the country, in order to ensure that it is adequate, accessible and effective to guarantee all social groups due access to it, respecting geographical, economic, idiomatic limitations and existing cultural differences. For the design of the same, existing inputs of multisectoral work will be integrated and with native peoples carried out in the REDD + process (mentioned above), as well as specific cultural considerations in the dialogue process that will be developed within the framework of SESA.

An articulation will also be established between the MRRRS and SESA, to the extent that such mechanism will aim to be a channel to report risks and impacts of the PANBCC implementation, and

these in turn will be analyzed within the SESA process and from that design risk mitigation measures under the ESMF.

The mechanism is not yet in operation, but the technical support consultancy for its design is being hired, under the aforementioned guidelines.

1.2.2.4 Social and Environmental Impacts

I. Progress made by UN-REDD PN

Within the framework of said Program, some actions have been carried out, the results of which will be integrated into the work that the FCPF Project will promote in relation to this component. These are:

Results of participation process exercises

- Identification of social, economic and environmental services of forests by forest region, carried out by multisectoral actors who participated in the first round of 2017 Multisectoral Dialogue Meetings mentioned in section 1.2.1.2.
- Social and environmental risks and benefits identified by province and for each operational strategic axis prioritized by the multisectoral actors participating in the Multisectoral Dialogue Meetings of 2018.

Technical Studies

Likewise, the UN-REDD PN concluded a study of social and environmental benefits of forests for all forest regions of the country, socialized and validated by key actors that make up the Working Group on Social and Environmental Safeguards and Benefits of Forests. This input makes it possible to spatially identify the most relevant possible areas to intervene in the REDD + framework, enhancing the co-benefits²¹.

II. Activities planned bty the FCPF Project

Integrating the advances already made by UN-REDD PN, the FCPF Project will develop a consultancy

²¹ In the following link you can view the study infographic by forest region. <u>https://www.argentina.gob.ar/gabinete-nacional-de-cambio-climatico/caja-de-herramientas</u>

that aims to complete the analysis of risks, impacts and benefits that could be derived from PANBCC. This will consist of²²:

- Relieve the relevant inputs produced within the framework of the UN-REDD PN, analyze gaps and information needs and, from this, deepen and complete the requirements of the SESA process, both in the analytical and participatory aspects.
- Consolidate a matrix of risks, impacts and social and environmental benefits that could derive from the formulation and implementation of the PANBCC (considering the inputs of the UN UN-REDD).
- Make a proposal to design an Environmental and Social Management Framework (ESMF), containing the appropriate procedures to identify specific risks and impacts; the set of prevention, reduction, mitigation, and / or compensation measures to address these identified social and environmental risks and impacts, as well as those measures that allow to enhance social and environmental benefits beyond reducing carbon emissions from the forestry sector. This ESMF must include the corresponding associated frameworks derived from the environmental and social analysis, such as the Indigenous Peoples Planning Framework, the Involuntary Resettlement Policies Framework, the Rules of Procedures, among others that could be identified²³. Likewise, a procedural framework will be included for each measure for transparent and effective application, the design of tools or instruments necessary for its application, identification of relevant actors and institutions for compliance with each measure, scheme of functions and competences, and institutional arrangements.

III. Articulation with the Safeguards work process²⁴

The UN-REDD PN promoted the following actions regarding social and environmental safeguards:

²² The detailed inputs will be obtained from the "Consultancy for the technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and the Feedback, Grievance and Redress Mechanism (FGRM)"(in the bidding process).

²³ The ESMF must comply with at least the contents required in: Guidelines and Generic Terms of Reference for SESAs and ESMF, Annex C Generic Guidelines for draft input to ToR for ESMF (see www.forestcarbonpartership.org).

²⁴ Public information about this component is found in the following link:

https://www.argentina.gob.ar/gabinete-nacional-de-cambio-climatico/resumen-de-informacion-desalvaguardas

National interpretation of Safeguards:

A conceptualization of each of the "Cancun" safeguards is discussed based on the national regulatory and institutional framework relevant to each safeguard, and considering the possible risks and cobenefits that the PANBCC could generate²⁵.

This interpretation is based on the risks and benefits identification exercises carried out in the Second Round of Multisectoral Dialogue Meetings of 2018 described above.

In addition, the interpretation was worked on and validated by the Technical Working Group on Social and Environmental Safeguards and Benefits of Forests.

Toolbox on Safeguards

It is a set of instruments that guide the application of safeguards at the stage of PANBCC implementation. These are:

- Guide for technicians to guarantee Prior, Free and Informed Consultation of Native Peoples.
- Guide to guarantee the right to full and effective participation of all relevant parties in REDD+.
- Gender mainstreaming guide for decision makers in the implementation of REDD +.
- Spatial analysis of social and environmental benefits of forests, by forest region²⁶.

Based on these inputs, the FCPF Project will carry out the following actions²⁷:

- An analysis of the legal and institutional frameworks of Argentina will be carried out, and will compare with the "Cancun" safeguards and the World Bank's social and environmental standards, in order to identify gaps and propose actions to save them.
- Develop a unique work approach to safeguards to be implemented in the framework of the REDD + process, considering the progress made in the "Cancun" safeguards and the

²⁵ Likewise, the work identified gaps and weaknesses of the national legal and institutional framework, such as: the persistence of deforestation in prohibited areas; the lack of definition of quantitative goals of protection of native forests; the lack of officially agreed methodological guides to enhance the environmental services of native forests; the harmonization of provincial policies in the same forest region, among others.

²⁶ Based on the study of Social and Environmental Benefits of Forests mentioned above.

²⁷ The detailed inputs will be obtained from the "Consulting for technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and the Feedback, Grievance and Redress Mechanism" (in the bidding process).

requirements established in the framework of social and environmental standards of the World Bank, which allow SGAyDS to develop both safeguards processes with an approved work approach. This is aimed at obtaining a single framework of operational REDD + safeguards for the PANBCC implementation stage. This approved approach must contain compliance indicators for each safeguard.

The aforementioned toolbox must be integrated into the ESMF, as specific procedural instruments to address, avoid and mitigate potential social and environmental impacts derived from PANBCC.

IV. Articulation with the Feedback, Grievance and Redress Mechanism

The FCPF Project will developed a Feedback, Grievance and Redress Mechanism (MRRRS, its acronym in Spanish)²⁸. This mechanism should contemplate the multiculturality that characterize communities and populations of all country's forest regions, in order to guarantee that is adequate, accessible and effective to all social groups, according to their geographical, economic, idiomatic limitations and existing cultural differences.

Existing inputs of multisectoral work and indigenous peoples carried out under REDD+ process will be integrated, as well as specific cultural considerations from the dialogue process to be developed within the SESA framework. Furthermore, MRRRS shall be articulated with ESMF construction, insofar risks or impacts reported through the mechanism can be integrated and be part of the ESMF.

1.2.3 Reference Emissions Level/Reference Level

Argentina has completed the first version of the Forest Emissions Reference Level (NREF, its acronym in Spanish), which was presented to United Nations Secretariat in January 2019²⁹.

As mentioned in point 1.1.II this document, which is currently under Secretariat review, was the result of the Technical Working Group key actors' dialogues, that supports the development of NREF/NRF and the National Forests Monitoring System strengthening (SNMB, its acronym in Spanish). Since UN-REDD NP beginning, work towards relevant information identification, basic data required for NREF/NRF construction, analysis of national circumstances and information gaps identification started in order to have a baseline scenario for preparation of the road map and methodological proposals for

²⁸ To be develop under the same consutancy related in reference 26.

²⁹ Available at: <u>https://redd.unfccc.int/files/2019_submission_frel_argentina.pdf</u>

NREF/NRF development. In this context, information needs from SNMB in the short and medium term have been identified, as well as consistency with the Biennial Update Report data.

1.2.4 Monitoring Systems for Forests and Safeguards

1.2.4.1 National Forest Monitoring System

The National Native Forests Monitoring System (SNMBN, its acronym in Spanish) of Argentina, in charge of the Forest National Direction, provides updated information of the country native forest resources, as mentioned in section 1.1.III. All Information generated by SNMBM is available at <u>Portal</u> del SNMBN. ³⁰

SNMBN has three main components:

Satellite monitoring of native forests

Includes native forests distribution and annual monitoring of changes in forest cover. The native forest monitoring seeks to detect, quantify and track through time natural or anthropic processes that modifies natural forest ecosystems structure and/or extension, mainly using remote sensing techniques and a Geographic Information System (GIS). For more details, see native forest surface monitoring reports at:

https://www.argentina.gob.ar/ambiente/tierra/bosques-suelos/manejo-sustentable-bosques/umsef.

Early Warning System for Deforestation

The System continuously detect loss of native forests. The SGAyDS is implementing an Early Warning System (SAT, its acronym in Spanish) for deforestation in order to strengthen control and surveillance actions of provincial authorities on native forests. Through SAT is possible to monitor native forest loss continuously (every 16 days), through automated processes based on satellite images. The process began with Parque Chaqueño region (semi-arid and humid subregions), which has the greatest extension and pressure, and gradually incorporate other forest regions. Alerts are generated from November 2018, and were communicated to the provinces through notes, reports and digital coverage of alert location. These communications also request information regarding detected deforestation, if it was authorized, its approving administrative act, measures adopted in unauthorized deforestation,

³⁰ <u>http://snmb.ambiente.gob.ar/portal/</u>

as well as information incorporation to the National Registry of Plans or National Registry of Offenders.

National Inventory of Native Forest

It produces information about conservation status of native forests, their composition, structure and functioning. The Second National Inventory of Native Forests (INBN2, its acronym in Spanish) is a national strategic tool for public policies planning and development linked to the conservation and sustainable management of native forests. It is a key input for REDD+ process as it provides essential information on native forests for PANBCC implementation decision making.

INBN2 general objectives are:

- Provide updated information of Argentina's native forest resources.
- Provide information related to forests mass changes.

2765 parcels have been installed to date, representing 68% of the total.

Nowadays, ONU-REDD NP provides support for SNMBN strengthening to improve satellite monitoring methodologies and scope, generate new onsite information from the Second National Inventory of Native Forests and wider dissemination of information generated.

FCPF Project will contribute to the National Forest Monitoring System through the development of two activities: firstly, a product related to the determination of GHG emissions balance of PANBCC measures and a proposal for a Monitoring and Measurement, Reporting and Verification system of five mitigation measures usual practices (conservation, sustainable use, restoration and recovery, forest fire prevention, avoided deforestation). Activities of this consultancy are expected to start at the beginning of August 2019. Secondly, Installation of Remedible Forest Inventory Plots for determined lots will be carried out in Monte, Espinal, Parque Chaqueño and Andean Patagonian Forest regions. This process represents third INBN2 stage. Lots installation are planned to begin in August 2019.

Details of FCPF Project contributions to the National Forest Monitoring System are in Chapter 2.

1.2.4.2 Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards

Multiples benefits³¹

From Social and Environmental Benefits of Forests study, mentioned above, inputs for two REDD+ pillars are obtained:

- National Strategy: provides information about priority areas for PANBCC intervention.
- Safeguards: spatially identifies social and environmental benefits beyond carbon, to be enhanced through safeguards work. Likewise, this information can be used to prevent potential adverse impacts of PANBCC implementation in native populations, local economies, protected species, etc.

Multi-criteria analysis is the methodology used, based on identification of priority areas to achieve a specific goal according to a set of multiple criteria linked to attributes of these areas. This evaluation type allow spatial heterogeneity considerations associated with multiple potential environmental and social benefits (criteria) that could be derived from avoided deforestation of existing native forest to achieve an objective (the maximum possible provision of such benefits) through actions implementation in specific areas (identified according to their attributes, in this case, the degree of spatial convergence in considered benefits provision).

Analysis were conducted to all forest regions of the country. The study was based on three-benefits dimension considerations:

- Biodiversity: includes all benefits related to biodiversity conservation of forest ecosystems.
- Biological: includes all benefits related to physical and biological characteristics of forest ecosystems and their direct and indirect effects on soil genesis, and water, biogeochemical or energy cycles.
- Socioeconomic: includes all those benefits of forest ecosystems that have a direct impact on economy and well-being of human population.

Social and environmental benefits maps will be incorporated in SNMB platform, which will allow

³¹ Study's public information is available at <u>https://www.argentina.gob.ar/gabinete-nacional-de-cambio-climatico/caja-de-herramientas</u>

contrast with other maps, providing information for decision making.

Safeguards Information System³²

In order to comply with this REDD+ pillar established in Warsaw framework, Argentina has progressed with dialogues of key stakeholders of the Working Group on Safeguards and Social and Environmental Benefits of Forest, particularly in the design of a safeguards information system for the country, in the following aspects:

- Objectives definition: provide information on the approach and respect of REDD+ safeguards in PANBCC implementation framework, consistent with requirements of UNFCCC and the National Safeguards Approach.
- Functions definition:

1) Information collection: identify and gather existing information that can provide relevant inputs on safeguards, and identify gaps.

2) Systematization of information: based on a pre-established and validated criteria structure and set.

3) Information analysis and validation: in accordance with criteria and/or indicators developed specifically for monitoring each safeguard.

4) Information storage: store social and environmental information related to safeguards and PANBCC implementation.

5) Disclosure and generation of reports inputs: inputs generation for the Safeguards Information Summary and other PANBCC monitoring reports.

- Main Information categories: 1) environmental, 2) climatic, 3) forest, 4) social, 5) governance.
- Information delimitation: the system will be based on transparency and accessibility principles, with a free access website (same of SNMB mentioned above). The Safeguards Information System (SIS) will provide a solid baseline to elaborate future Safeguards

³² Public information available at: <u>https://www.argentina.gob.ar/gabinete-nacional-de-cambio-climatico/sistema-de-informacion-de-salvaguardas</u>

Information Summaries with information of safeguards approach and respect.

Besides, some information needs have been identified, and a road map was stablished in order to complete its design in this reporting year.

This system will provide an information summary of REDD+ safeguards compliance during the PANBCC implementation stage. It is expected that, once "Cancun" safeguards and the World Bank's Social and Environmental Standards are consolidated in a unified approach, the safeguards information system can report its compliance under this unified scheme.

2. An analysis of progress achieved in those activities funded by the FCPF Readiness Preparation Grant

The Country outlines progress made as well as identifies any delays in the implementation of the activities financed by the Grant and proposed actions to address the causes of the delays.

During the FCPF Project design, countersignature of Grant Agreement by the Government of Argentina in December 2016, and its implementation beginning in August 2017, some activities originally planned, its components and subcomponents were implemented (or were under development) by the Ministry of Environment and Sustainable Development (SAyDS).

Based on the preparation work and REDD+ components developed by UN-REDD NP, and actions implemented by the National Forest Directorate, from the Native Forests and Community Project and the National Program for Protection of Native Forests, PANBCC implementation barriers have been identified (developed in section 1.2.2.3).

Within this framework FCPF Project set out, as part of its activities objectives, to identify alternatives to remove existing barriers to implement PANBCC mitigation measures and forests measures of the Nationally Determined Contribution (NDC) presented by Argentine Republic under Paris Agreement.

Sustainable productive and conservation activities are required in order to implement PANBCC mitigation measures. Nowadays, these activities cannot be carried out massively due to existing barriers such us: regulatory/fiscal (existence of incentives for non-sustainable activities development), financial (lack of credit access, or credit cost) and economic (environmental services not valued), among others. To solve these barriers, the FCPF Project seeks to support the following medium-term goals:

- i. Identify improvements of national and local public policies design (mainly on agriculture) in order to avoid economic incentives applicable by forests, and align regulatory and economic objectives with PANBCC.
- ii. Contribute to remove financial barriers so activities that lead the achievement of PANBCC objectives are profitable and sustainable in the future.
- iii. Design the results monitoring system in terms of GHG emissions reductions from different sustainable management activities, so as to allow eventual recovery of carbon assets.

This way, the national scope of UN-REDD NP activities under REDD+ components framework, and

monitoring activities carried out by the Forest Directorate, is complemented by FCPF Project. FCPF Project activities aim to facilitate and generate bases and inputs for local implementation of the National Plan for Reforestation of Native Forests and remaining operational axes of PANBCC components.³³

Once the scope of Project activities was defined and selection and procurement processes started, limitations arose during 2018 second half for using National Public Administration resources, that postponed project consultancies' procurement processes. Beyond circumstances that limited Project execution progress, is important to consider that substantial changes have been achieved and will allow continued implementation of planned activities.

In line with FCPF Project progress, to date PIU has designed Terms of Reference and activities processes, which received the World Bank no objection, representing an equivalent amount of 98.68% total Donation. In addition to processes already contracted, new consultancies have different progress degrees in procurement processes. These activities aim to support REDD+ pillars, especially the implementation of Argentina's REDD+ Strategy and Safeguards Information System.

In relation to the studies mentioned before, it is worth to note that these are inserted into a continuous and progressive process of preparing the country for REDD+. In particular, planned studies have been based on inputs already developed by UN-REDD NP and other relevant SGAyDS analyzes, and aim to complement identified information gaps, replicate national level studies at local scale, as well as deepening evaluations that allow overcoming PANBCC implementation barriers above-mentioned.

During 2018 second half, procurement, administration and finance coordination units were integrated into the Sector and Special Projects and Programs Coordination Area of SAyDS, where project's internal processes were streamlined, and its financial and procurement management became more efficient.

Financial Audit of BIRF Project Statements TF^o 019086 Cooperative Fund for Forest Carbon Preparedness was completed in June 2019. Exercise No. 2017 and 2018, under a project contract.

³³ The Objective of the National Plan for Reforestation of Native Forests (PNRBN) is to reach 20.000 hectares for restoration anually to 2030 and contribute to the National Strategy for Clima Change Mitigation and Adaptation. Through PNRBN, SayDS plans an articulation and inclusion of different public and private Stakeholders implied in conservation and sustainable use of native forest, setting a permanent colaborative dinamic between the Nation and proveces as central axe, understanding that any initiative framed in the plan will be developed through a logic of environmental federalism.

https://www.argentina.gob.ar/sites/default/files/resumen_pnrbn_final_0.pdf

Simultaneously, to ensure a permanent dialogue in REDD+ management in the country, the Steering Committee and Advisory Committee creation, allow project progress by facilitating the participation of sectors involved in the process as detailed in point 1.2.1.1.C. In parallel, the exchange and participation of project representatives in various areas of discussion and the joint work with different areas of native forest management at national and local level allowed to articulate project activities with different visions and initiatives generated in the same line of work.

Project activities includes the following consultancies:

2.1 In relation to the National REDD+ Strategy

- *i.* Consultancy for the consolidation of the Trust Fund for Environmental Protection of Native Forests. *Finished*
- *ii.* Economic valuation of PANBCC mitigation measures and producer's quantification and characterization for native forest sustainable use projects Component 2. *Under implementation*.
- iii. Argentina's Restoration Opportunities Assessment Methodology (ROAM), in order to identify and evaluate forest landscape restoration opportunities Component 2. *Under implementation*.
- *iv.* Impact assessment of agriculture and livestock policies Component 3. *Selection Process of consultancy firm.*
- v. Consultancy for technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and Feedback, Grievance and Redress Mechanism (FGRM)- Components 1, 2 and 3. *Selection Process of consultancy firm*. The expected products related to this REDD+ pillar are the following ones:
 - Climate finance tools within the Trust Fund for the Environmental Protection of Native Forests framework to support projects development linked to PANBCC mitigation measures, aiming to reduce emissions from deforestation and degradation of native forests:
 - Design and development of three financing tools for specific local application. Soft loans, subsidies, payments for services or other schemes can be the tools that allow to finance producers linked to PANBCC mitigation measures.

- Design and implementation of the Trust Fund for the Environmental Protection of Native Forests' capitalization strategy with national, international, public and private sources.
- Financial tools design for channeling resources of the Trust Fund towards beneficiary projects that implement PANBCC mitigation measures.
- Design and develop an information system for provincial and local native forest.
 - Design and develop a systematization and visualization of information at local and provincial level, to optimize information quality and facilitate its access to developers of management and conservation plans and public servants responsible for native forests management; this systematization and visualization of information will improve decisionmaking on native forests planning interventions, which are the basis of PANBCC measures.
 - Upload information of native forest at provincial and local level from five provinces validated with the SGAyDS Forest Directorate.
- Training activities and design and implementation of the PANBCC communication strategy.
 - Develop training activities, working groups and workshops to involve different actors involved in native forests management and support the development of sustainable management productive activities, carbon assets monitoring, and use and access to financing tools climate.
 - Design and implement a PANBCC communication strategy focus on the most relevant audiences (productive sector, financial sector, agroforestry producers, local communities, teachers, general public) in order to strengthen management capacities of native forests, encourage investment linked to the protection and sustainable management of native forests and raise awareness about forests importance to the environment and community.
 - Involve private sector participation in financing PANBCC mitigation measures.
 - Communication actions will be integrated into different consultancy components.
- Support scientific and technologic innovation to promote the development of PANBCC mitigation measures.

- Identify innovative technologies to support processes involved in PANBCC mitigation measures, as large-scale restoration of native forests, verification and monitoring, preventing forest fires, and the use of forest products with higher added value.
- Bring together leading forest innovators to discuss their successful experiences and begin
 a technology and capacities transfer related to passive and active reforestation,
 sustainable forest management, etc.
- Establish research basis, development and innovation program (R+D+I) with national coverage that guides and creates synergy between the science and technology sector, the business sector and producers relating to native forest management, in strategic areas such as the genetic improvement of native species, in order to restore degraded areas.
- Strategic Social and Environmental Evaluation (SESA), Environmental and Social Management Framework (ESMF), and Feedback, Grievance and Redress Mechanism (FGRM) (detailed information in section 1.2.4.2)
 - Collect relevant inputs provided as part of UN-REDD NP, analyze information gaps and requirements, and use this to deepen and complete the SESA process requirements, both in analytical and participatory aspects.
 - Technically support the consolidation of at least one risk, impacts and social/environmental benefits matrix that could arise from PANBCC formulation and implementation.
 - Propose a single safeguard work approach to be implemented as part of REDD+ process, considering progress made in terms of Cancun safeguards national interpretation and the requirements established as part of the World Bank's Environmental and Social Standards, that allows SGAyDS to develop a safeguard processes with a unified working approach.
 - Obtain a design proposal from an ESMF that contains suitable procedures to identify specific risks and impacts, set prevention, reduction, mitigation, and/or compensation measures to address these social and environmental risks and impacts, as well as measures that would enhance social and environmental benefits beyond carbon emissions reduction in the forest sector.

 Obtain technical inputs for the creation of a Feedback, Grievance and Redress Mechanism to be integrated into REDD+ preparation and implementation stage, considering PANBCC, ESMF progress and the design of the Safeguard Information System under UN-REDD NP.

2.2 In relation to the National Forest Monitoring System

- Second National Inventory of Native Forests: installation of Forest Inventory Remediable Plots. Lot 1: Andean Patagonian Forest Region, Lot 2: Monte, Espinal and Chaqueño Park, and Lot 3: Monte and Chaqueño Pak Forest Region. Selection Process of consultancy firm.
- ii. Consultancy for technical and financial development of the Trust Fund for Environmental Protection of Native Forests - Systematization of information on native forests at national and local level - SESA, ESMF and Feedback, Grievance and Redress Mechanism (FGRM)- Components 1, 2 and 3. *Selection Process of consultancy firm*. The expected products of this consultancy, related to the present pillar of REDD + are:
 - Quantifying emissions reduction potential and Monitoring, Measuring Reporting and Verification tools
 - Determining the balance of GHG emissions (baseline) in freehold land from usual practices, and mitigation measures set out in the PANBCC:
 - Conservation
 - Sustainable use (forestry and forest management with integrated livestock).
 - Restoration and recovery.
 - Prevention of forest fires.
 - Avoided deforestation.
 - Designing a monitoring, measuring, reporting and verification (MMRV) system to monitor emissions balance, for projects that will be supported by the Trust Fund for the Environmental Protection of Native Forests. The system shall include information on co-benefits generated by mitigation measures, considering the World Bank's environmental and social standards, and be integrated into the systematization that this consultancy will be developed.
 - Building local skills for MMRV system implementation, to ensure its sustainability. Design and develop a systematization of native forest information on a local and national level.

2.3 In relation to Reference Level

As mentioned in section 1.1, the reference level for forest emissions was developed under ONU-REDD NP, and is under UNFCCC Secretariat revision.

2.4 In relation to the Safeguards Information System

SESA, ESMF and Feedback, Grievance and Redress Mechanism (FGRM) will be articulated with other actions made by UN-REDD NP related to this component. Activities proposed by the Project for this pillar are detailed in section 2.1.5.

3. A review of the REDD Country Participant's compliance with the Common Approach

Actions and products launched by FCPF Project are included and based on the strategic and operational REDD+ alignments and the SGAyDS climate and forest policy.

In this regard, FCPF Project is supported by various key stakeholder participation platforms created as part of UN-REDD NP in order to continue the dialogue with relevant parties for PANBCC implementation, strengthen its REDD+ capacities, and complete requirements set out for SESA and ESMF work, as detailed in section 1.2.1.2.

Regarding safeguards, as described in sections 1.2.2.2 and 1.2.4.2, the project will work on the creation of a unified conceptual framework of REDD+ safeguards, that includes UNFCCC safeguards ("Cancun") and Social and Environmental Standards of the World Bank.

As to MRRRS as part of REDD+ preparation and implementation by SGAyDS, it will be supported by existing mechanisms, integrating adjustments and arrangements to be identified, in order to have an MRRRS that meets the requirements of legitimacy, accessibility, predictability, impartiality, compatibility of rights, transparency and ability to address a broad spectrum of claims, including those linked to benefit distribution schemes of emission reduction programs. Particularly, the Native Forests and Community Project has developed a specific mechanism for complaints and suggestions resolution for native forests with World Bank standards. This mechanism is active and has several onsite communication channels accessible to interested and affected actors, and monitoring tools that will be articulated to existing ones or to be developed by FCPF Project within PANBCC framework.

Likewise, interested and/or potentially affected stakeholders can use MRRRS as a way to contribute to the evaluation of risks and impacts under SESA process, and to determine its mitigation measures. Then again, the SESA and ESMF terms of reference considered the *Guidelines and Generic Terms of Reference for Strategic Environmental and Social Assessments (SESAs)* and *Environmental and Social Management Frameworks (ESMFs)*, while MRRRS terms of reference, considered the guidelines of the FCPF *Guidance on information disclosure*.

Moreover, in relation to the *Guidance on Disclosure of Information* compliance, Argentina has a Law on the Right of Access to Public Information (No. 27.275) that guarantees the effective exercise of the right to access public information, promotes citizen participation and transparency of public management³⁴.

Concerning environmental information, Argentina's Law No. 25.831 establishes the minimum environmental protection budgets to guarantee the right of access to environmental information held by the State, at national

³⁴ Available at http://servicios.infoleg.gob.ar/infolegInternet/anexos/265000-269999/265949/norma.htm

and provincial, municipal level and of Buenos Aires City, as well as information of autonomous entities and companies that provide public services, whether they are public, private or mixed³⁵. At the same time, on a routine basis, SGAyDS publishes information related to forest management in the following reports:

Environmental Status Report

This report contains significant information of the environmental policy related to the native forests. The 2017 report showed analysis work on the environmental situation in Argentina and considered its social, economic, cultural and ecological dimensions, along with potential effects that productive activities could cause to these aspects. The elaboration of this report is instructed the General Environmental Law No 25.675³⁶, and contains official information and statistics generated by the Argentinian Government and, in some cases, is complemented by a large number of international, national, provincial and municipal sources, as well as sources from the private sector, academia, civil society, etc. The report is an impartial assessment and analysis tool of processes that affect social and environmental landscape in Argentina, integrating solid and multi-sectoral information of various pressure factors, impacts and challenges that our society faces. Its approach aims to provide key data about the environment's condition and perspectives, increase awareness among stakeholders involved in this complex 21st Century socio-environmental landscape and warn trends of main environmental variables. The report analyses actions and conditions of protected areas of nature, native forests, biodiversity, soils and climate change.

Implementation Status Report of Native Forest Law 26.331³⁷

SGAyDS published the Implementation Status Report and describes aspects related to the implementation of Law No. 26.331 associated to the environmental protection of native forest. It highlights results linked to the Land-use planning, Connection and Control and Sustainable Forest Management areas of Forest Directorate. The SGAyDS is currently finalizing a new report of 2010-2018 period, which will be published in the entity's dissemination spaces³⁸.

³⁵Available at: http://servicios.infoleg.gob.ar/infolegInternet/anexos/90000-94999/91548/norma.htm

³⁶ Available at: <u>http://servicios.infoleg.gob.ar/infolegInternet/anexos/75000-79999/79980/norma.htm</u>

³⁷ Available at: <u>http://servicios.infoleg.gob.ar/infolegInternet/anexos/135000-139999/136125/norma.htm</u>

³⁸ Report of Law 26.331 (2010 - 2016) implementation is available at: <u>https://www.argentina.gob.ar/sites/default/files/informe_de_implementacion_2010 - 2016.pdf</u>

National Forest Monitoring System of the Argentine Republic

As detailed in section 1.2.4.1, this system compiles and publishes available information on Native Forests at national and regional scale, with information on safeguards, land-use planning, land-use change process, and other tools and information sources, much of which is already available and some of which is being developed in Beta version. This information is complemented by the Environmental Maps platform that includes further information on native forests, information on ecological corridors, biodiversity conservation, among others.

4. An updated financing plan for the overall Readiness preparation activities, including funds pledged by, and a brief description of activities supported by, other development partners

The Country provides an updated financial plan for the overall Readiness preparation activities, including reporting on the uses and sources of funds allocated for the R-PP implementation (both by the FCPF and other development partners), by R-PP component, using the table below (the model contains a hypothetical numeric example). This table could also be used if the country is requesting additional funding from the FCPF (see right-most column).

Investments made in REDD+ process by two projects that exclusively support its four pillars (FCPF Project and UN-REDD NP) are detailed below. Funds allocated by the SGAyDS or by sub-national entities as well as other projects and areas that directly or indirectly support some or several of REDD+ pillars, with congruent objectives but not necessarily exclusive of the process, are not included in this analysis.

Denomination of investments to be financed under expenditure categories. Financial statements from 01/10/2017 to 30/06/2019 in USD\$	Total Allocated	Committed Funds	Disbursed Funds	Available Funds
Component 1: REDD+ management scheme and	550,000	371,435	205,925	178,565
Claims resolution				
FCPF	550,000	371,435	205,925	178,565
UN-REDD NP (2018-2019)	0	0	0	0
Component 2: Development of REDD+ Strategy	4,203,708	2,085,471	121,906	2,118,237
FCPF	2,800,000	681,762.45	121,906	2,118,237
UN-REDD NP (2018-2019)	1,403,708	1,403,708	NA	0
Component 3: Strategic Environmental and Social	632,318	182,318	0	450,000
Evaluation				
FCPF	450,000	0	0	450,000
UN-REDD NP (2018-2019)	182,318	182,318	NA	0
Total	5,386,027	2,639,224	327,831	2,746,802
FCPF	3,800,000	1,053,198	327,831	2,746,802
UN-REDD NP (2018-2019)	1,586,027	1,586,027	NA	0

Project's investments by components

NA: Not available

FCPF Project Investments by component

Denomination of investments to be financed under expenditure categories. Financial statements from 01/10/2017 to 30/06/2019 in USD\$	Total Allocated	Committed Funds	Disbursed Funds	Available Funds
Component 1: REDD+ management scheme and Claims resolution	550,000	317,435	205,925	178,565
FCPF: financial statements audit. irregular period	15,000	15,000	15,000	0
Project Implementation Unit (Human Resources, management expenditure, among others)	356,435	356,435	190,925	0
Consultancy for technical and financial development of the Trust Fund for Environmental Protection of Native Forests	178,565	0	0	178,565
Component 2: Development of REDD+ Strategy	2,800,000	681,762	121,906	2,118,237
Consultancy for legal structuring of the Trust Fund for Environmental Protection of Native Forests	46,826	38,142	38,142	8,684
Economic Consultancy – Economic valuation of measures	320,000	320,000	0	0
Argentina's Restoration Opportunities Assessment Methodology (ROAM	239,856	239,856	0	0
Installation of Remedible Forest Inventory Plots. Lot 1 – Region				
Lot 1	84,087	0	0	84,087
Lot 2	241,540	0	0	241,540
Lot 3	312,492	0	0	312,492
Consultancy for technical and financial development of the Trust Fund for Environmental Protection of Native Forests	1,471,435	0	0	1,471,435
Workshop of experience exchange on mechanism implementation	83,764	83,764	83,764	0
Component 3: Strategic Environmental and Social Evaluation	450.000	-	-	450,000
Consultancy for Impact of livestock policies and strategies	150,000	0	0	150,000
Consultancy for technical and financial development of the Trust Fund for Environmental Protection of Native Forests	300,000	0	0	300,000
Total	3,800,000	1,053,198	327,831	2,746,802

UN-REDD NP investments

Program effect	UN	Annual	Planned	Total	Component
riogram cricet	organization	expenditure (real)	expenditure	estimated year	component
	organization	from January to	for 2019	2018-2019	
		December 2018			
Effect 1: the country has one or more	FAO	1,504	-	1,504	
spaces to facilitate relevant	UNDP	90,430	28,918	119,348	
stakeholders' participation during	UNEP	-	-	-	
the Action Plan preparation					
Subtotal		91,934	28,918	120,852	Component 2
Effect 2: The country has basic	FAO	91	-	91	
technic inputs necessary for the	UNDP	-	-	-	
Action Plan development	UNEP	36,681	50,410	87,090	
Subtotal		36,771	50,410	87,180	Component 2
Effect 3: The country has the National	FAO	9,025	6,776	15,801	
Action Plan on Forest and Climate	UNDP	42,606	44,298	86,904	
Change, elaborated in a participatory	UNEP	-	-	-	
way					
Subtotal		51,631	51,074	102,705	Component 2
Effect 4: The country has a protocol	FAO	81,950	260,812	342,762	
for Argentina's reference level	UNDP	-	-	-	
construction, to be presented to	UNEP	-	-	-	
UNFCCC					
Subtotal		81,950	260,812	342,762	Component 2
Effect 5: The National Forest	FAO	426,287	323,922	750,209	
Monitory System has been	UNDP	-	-	-	
strengthened and implemented,	UNEP	-	-	-	
according to methodological					
orientation					
Subtotal		426,287	323,922	750,209	Component 2
Effect 6: The country has a proposal	FAO	382	40	422	
of Safeguards Information System	UNDP	6,734	40,881	47,615	
(SIS)	UNEP	45,703	88,578	134,281	
Subtotal		52,819	129,449	182,318	Component 3
Costs of Project Operative Unit	FAO	-	-	-	
	UNDP	72,739	6,840	79,579	
	UNEP	-	-	-	
Subtotal		72,739	6,840	79,579	
Indirect support costs	FAO	36,347	39,036	75,383	
	UNDP	13,527	8,466	21,993	
	UNEP	5,767	20,676	26,443	
Indirect support costs (total):		55,641	68,178	123,819	
FAO (total):		555,585	630,586	1,186,171	
UNDP (total):		226,036	129,403	355,439	
UNEP (total):		88,151	159,664	247,815	
GLOBAL Total:		869,772	919,653	1,789,425	

Committed funds are resources with committed allocation as they arise from contracts already signed according to the Project Procurement Plan.

5. Grant Reporting and Monitoring report (GRM)³⁹ (or equivalent Delivery Partner report, as per Delivery Partner's standard operational policies and procedures)

The Delivery Partner prepares a mid-term GRM or equivalent grant monitoring report, which provides a qualitative report on the progress and results of FCPF-financed activities from the Delivery Partner's perspective, and the Delivery Partner's assessment of overall Readiness progress, and should be annexed to the mid-term progress report.

The most recent GRM report, corresponding to July 2018–June 2019 period, was approved in October 2019. The report information is included and summarized in this Mid-Term Report. Such GRM report can be accessed through the following link:

https://epp.worldbank.org/irj/portal/grm?DynamicParameter=page=details%26TFID=TF019086%26edate=2019-06-30

³⁹ *Grant Reporting and Monitoring* is the format and system that is used for reporting on FCPF activities where the World Bank is the Delivery Partner.

6. Summary statement of request for additional funding to the FCPF

If the Country is requesting additional funding, it presents a summary statement of total additional funding requested from the FCPF to justify the numbers presented in the table on uses and sources of funds, including an explanation of the proposed activities to be financed by the additional funding.

ANNEX I - Consultation and participation activities of National UN-REDD Program and FCPF Project under Argentina's REDD+ preparation process framework

Cycle of SGAyDS internal meetings for PANBCC drafting	July/August/Sept/Oct 2017		
Results evaluation workshop with local partners of the Multisectoral Dialogue Meetings first round	20/07/2017		
Steering Committee and Advisory Committee 1st Meeting	02/08/2017 – 19 people		
III UN-REDD NP Project Board	02/08/2017		
COFEMA Climate Change Commission Meeting	31/08/2017 – 30 people		
Working Group on deforestation causes: review of technical advances	15/09/2017 -15 people		
Expanded Forest Bureau - National Climate Change Cabinet	19/09/2017 – 30 people		
Expanded National Board - National Climate Change Cabinet	26/10/2017 – 60 people		
COFEMA's forest commission and climate change commission joint meeting	27/10/2017 – 62 people		
Third meeting of the National Climate Change Cabinet Ministers: approval of PANBCC draft for presentation at COP23	31/10/2017 – 20 people		
Meeting of the Safeguards and Social and Environmental Benefits of Forests Working Group: Review of Technical Progress	04/12/2017 -35 people		
FCPF Launch - International experiences on climate finance	5 y 6/12/2017 – 130 people		
Meeting of deforestation causes Working group: review of technical advances	07/12/2017 – 15 people		
Training course in "Ego Dynamics"	December 11th ,12th ,13th, 2017		
IV local partners workshop to plan the second round of regional dialogue meetings	05/02/2018		
Dialogue meeting on safeguards	March 13th – 14th, 2018 – 47 people		

	Patagonian Andean Forest	May 31st – June 1st, 2018 – 34 people	
Second round of regional meetings:	Chaco Park	June 13 -14, 2018 – 42 people	
	Missionary Jungle	June 28 – 29, 2018	
	Bolivian Tucumano Jungle	July 24 – 25, 2018	
V local partners workshop: results analysis of the second round of regional dialogue meetings		December 11th, 2018	
Safeguards Workshop		May 23rd, 2019 - 30 people	
UN-REDD National Program Closing Workshop		July 4th, 2019 – 120 people	
Argentina ROAM Launch Workshop		July 2 – 3, 2019 – 30 people	