

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC1113

**Date ISDS Prepared/Updated:** 23-Feb-2015

**Date ISDS Approved/Disclosed:** 30-Jun-2015

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Argentina	<b>Project ID:</b>	P120414
<b>Project Name:</b>	Argentina FCPF REDD Readiness (P120414)		
<b>Task Team Leader(s):</b>	Peter Jipp		
<b>Estimated Board Date:</b>	22-May-2018		
<b>Managing Unit:</b>	GENDR		
<b>Sector(s):</b>	Forestry (100%)		
<b>Theme(s):</b>	Climate change (100%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	3.80	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>		<b>Amount</b>	
Borrower		0.00	
Readiness Fund of the Forest Carbon Partnership Facility		3.80	
Total		3.80	
<b>Environmental Category:</b>			
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The Project Development Objective is to support Argentina's REDD+ readiness efforts, in particular those activities focusing on management arrangements, REDD+ Strategy development, and Strategic Environmental and Social Assessment.

The key results expected from the proposed REDD+ readiness grant are:

- i. REDD+ Management arrangements have been strengthened through the establishment and functioning of Executive and Advisory Committees.

- ii. REDD+ strategic options are consulted and designed
- iii. A participatory SESA (Strategic Environmental and Social Assessment) and an ESMF (Environmental and Social management Framework) are prepared with feedback from key stakeholders.

### **C. Project Description**

Argentina was selected into the FCPF on October 2008, and the Participation Agreement signed on January 2009. The Argentine Readiness Preparation Proposal (R-PP) was approved during the sixth meeting of the FCPF Participants Committee on June 2010, pending a series of key issues to be reflected in a revised version. Such version was submitted and verified for completeness by the FCPF Facility Management Team (FMT) in January 2014. The R-PP identifies a broad set of activities aimed at strengthening the technical and institutional capacities for the GoA to participate in a future REDD+ mechanism. The overall financial envelope for carrying out these activities is estimated at approximately US\$12 million.

Argentina also became a partner country to the UN-REDD Program in October 2009. At its 12th Policy Board meeting held on July 2014 in Lima, Peru, an allocation for the amount of USD 3,591,000 was approved by the Program to support the country's REDD+ Readiness activities based on a revised version of the R-PP. The task team is closely coordinating with the UN-REDD and SAyDS teams to ensure that adequate collaboration mechanisms and synergies are established at the technical and administrative level. At the same time, the task team is closely coordinating with the IBRD team of the Forests and Communities project (P132846) which is in the final stages of preparation to ensure complementarity and potential synergies with the REDD+ readiness activities.

The FCPF operation will focus on a subset of activities specified in the R-PP, structured around three components as listed below. These activities have been selected after technical discussions with the SAyDS, taking into account the following criteria: (i) the priority needs for conducting the REDD+ Readiness process in Argentina, (ii) the World Bank's comparative advantages and (iii) the complementarity with support provided through ongoing WB initiatives, other financial partners, and the government.

Component 1 (US\$0.55M): REDD+ Management arrangements and Grievance Redress (RPP 1a 6). This component will assist the GoA in: (i) strengthening the Project Implementation Unit responsible for the day-to-day operations of the project by hiring additional human resources dedicated to the FCPF operation; ii) strengthening the institutional arrangements for REDD+ Readiness by supporting the establishment and operation of a Steering Committee (SC), functioning as high level decision-making body for REDD+, and an Advisory Committee for REDD+, composed by civil society organizations and functioning as a supporting body to the SC; iii) develop and test a Feedback, Grievance and Redress Mechanism (FGRM) for REDD+; v) support the Monitoring and Evaluation of the project's implementation.

Component 2 (US\$ 2.8M) Support for the development of the REDD+ strategy (RPP 2a, 2b, 2c). This component will assist the GoA in: (i) strengthening the capacity to implement the Native Forest Law 26.331 in the context of REDD+; ii) supporting at least 3-6 key provinces in strengthening their capacity for REDD+; iii) conducting analytical work to explore the linkages and synergies between the forestry and agriculture sectors in the context of climate change and REDD+; and iv) conducting technical evaluations and design of REDD+ strategic options.

Component 3 (US\$ 0.45M): Strategic Environmental and Social Assessment (SESA) (RPP 2d). This component will assist the GoA in: (i) conducting a participatory SESA, in line with the stakeholder

consultation and participation plan developed by SAyDS; ii) carrying out diagnostic studies to assess key risks and opportunities of strategic options as part of the SESA; and iii) developing an Environmental and Social Management Framework (ESMF).

The activities to be financed by the FCPF will not include any physical investment or the implementation of any REDD+ program on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels. Through the Readiness Program, the GoA is expected to identify priority investments needed to achieve the goals of REDD+. These investments will be financed by public and private donors and investors and the Government itself, and not by the FCPF Readiness Grant. Such future REDD+ investments are expected to draw upon the SESA and ESMF prepared under this project but will undertake site specific assessment and consultations with respect to social and environmental impacts.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The activities to be financed by the FCPF will not include any physical investment or the implementation of any REDD+ pilot project on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels.

While Readiness Preparation is conceived as mostly strategic planning at this stage, key policy and regulatory precedents are being set at the readiness phase that might have downstream impact at the national level once the national REDD+ strategy is ready to be implemented. The Grant itself will finance preparation rather than implementation activities but may lead to recommendations for actions in the future which could bring risks that will be assessed during the Grant period (e.g. Through the REDD+ Readiness project, the GoA is expected to identify priority investments needed to achieve the goals of REDD+. These investments would be financed by public and private donors and investors and the Government itself, and not by the FCPF Readiness Grant).

The analytical and diagnostic studies as well as the consultation meetings and workshops that will be financed under this Grant will be used to address any potential risks and/or negative impacts associated with the actions being considered for the National REDD+ Strategy. In that way, such future REDD+ investments are expected to draw upon the SESA and ESMF prepared under this project.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

Under previous Bank projects, SAyDS has demonstrated openness to dialogue and a readiness to embrace innovation. However, experience has also shown that SAyDS's implementation capacity is rudimentary, that its influence in the Provinces is limited, and that time is needed to build capacity and change attitudes among the stakeholders. SAyDS's specific capacity for safeguards policies is not an exception to this general observation. Its experience on safeguards management is rather limited.

Given the cross-sector and countrywide nature of REDD+, safeguards policies for FCPF funded activities will apply at more strategic level than in regular World Bank-financed projects. While SAyDS has previous experience in managing the Bank's safeguards policies in a limited number of grants and investment lending projects, very few of them (if any, at all) have used a SESA approach. In addition to that, as in Argentina the constitution grants authority over natural resources to the individual Provinces, the institutional arrangements that the SAyDS reach with the Provincial governments would seem to be crucial in order to ensure their buying into the SESA process and its

final results as input for their forests management decisions.

For those reasons, budgetary provisions are being made by the recipient of the grant, in order to ensure the availability of grant resources to recruit, and eventually train, staff dedicated to the development of SESA for REDD+, and the ulterior safeguards management implementation. In addition, SAyDS has prepared a preliminary SESA Plan that needs to be further strengthened during the Readiness phase. An initial working session between SAyDS, UN-REDD and the WB team was held in October 2014 to establish a way forward and coordinate the activities supported between the two programs related to participation, safeguards, and SESA. It was agreed that the SESA process will be integrated within the broader stakeholder consultation and participation plan, and that it will be carefully sequenced and aligned with the analytical work following an eco-regional approach. Budgetary provisions have been made to ensure the availability of grant resources to recruit staff exclusively dedicated to the development of SESA for REDD+ and the subsequent development of safeguards instruments within the Project Implementation Unit, in addition to staff dedicated to stakeholder engagement, Indigenous Peoples consultation, and communications supported by UNREDD. The draft SESA Plan is currently under preparation in collaboration between the SAyDS, UN-REDD and World Bank teams.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Lilian Pedersen (GSURR)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	Based on the overall assessment of potential impacts of the downstream REDD+ strategy (i.e., not just the Readiness Preparation activities), a Category B designation is proposed for the Project based on the largely positive or neutral project environmental impacts anticipated. During implementation of the grant, proposed REDD+ strategies will be assessed in appropriate detail to confirm or adjust this designation. Because the final REDD+ strategies are not known (they will be constructed using both consultation and technical analysis), but could have widespread impacts, it is important to take a strategic approach toward assessing impacts. This will be done by undertaking a Strategic Environmental and Social Assessment (SESA). The SESA would then become the main input into an Environmental and Social Management Framework (ESMF), which would be prepared during project preparation, and which will describe the planning process and the ways in which environmental and social considerations will be taken into account. The ESMF will provide specifics of the mitigation measures, institutional roles and responsibilities, and measures for capacity building where needed. These processes

		would ensure conformity with Bank safeguard policies, as eventual subsequent REDD+ investments would also be subject to a rigorous EA process to avoid adverse impacts on the local environment, and appropriate mitigation measures would also be included in their designs. Approval by the Bank of the draft ESMF would be one condition for the eventual signing of an ERPA under the FCPF Carbon Fund.
Natural Habitats OP/BP 4.04	Yes	This initiative is intended to affect natural habitats in a positive way by reducing deforestation and degradation of lands including natural habitat. It is expected that the incentive system established by future REDD+ activities will provide greater protection of natural habitats and recognition of their value. The potential for activities that protect forests to generate leakage into other habitats (displacement of economic activities from greater protection or increased value of forested lands) such as wetlands and grasslands will also be considered in the SESA process.
Forests OP/BP 4.36	Yes	This safeguard is triggered given the direct implications for forests of the future REDD+ activities. It is expected that the technical assistance activities will result in investments and a process that will positively protect forests and generate incentives for their sustainable management consistent with best practices and Bank standards. Potential impacts of the National REDD+ Strategy on natural forests will be assessed through the SESA and included in the ESMF. The ESMF will consider potential follow-on activities and investments in sustainable forest management during the implementation phase and provide the guidelines for evaluating and carrying-out activities.
Pest Management OP 4.09	TBD	Pest management is not a part of the activities of the readiness phase. However this aspect may be considered within the framework to be prepared for the next phase, as one of the potential strategic options pre-identified by the GoA (according to what was reported during the mission carried out during March, 2014) has to do with the rehabilitation of degraded lands for agricultural production, aimed at reducing the competition for lands (and the pressure on forests) imposed by these productive activities. In this way, projects in the implementation phase could involve policies and investments that may affect

		agriculture and reforestation on different scales which may have pest management implications. The triggering of this safeguard will be determined once there is greater definition of the nature of investments and the scope of safeguards for the follow-on investment phase of REDD+. The SESA will address critical issues related to pest management if necessary, and if so, these will also be included in the key elements for the ESMF.
Physical Cultural Resources OP/BP 4.11	Yes	Given the nature of the activities of the readiness phase, Physical cultural resources should not be affected. The policy on Physical Cultural Resources (OP 4.11) is triggered given the uncertainty regarding the exact locations of activities to be carried out under the REDD+ Strategy during its implementation phase. Some landscapes, forests, or resources contained by them, which might be addressed by the REDD+ strategy, can be considered to have historical or cultural significance, so the SESA process will address this issue, and the ESMF would include specific provisions to assess the potential impacts on such elements, prior to any activities being undertaken on the ground.
Indigenous Peoples OP/BP 4.10	Yes	This policy is triggered as there are indigenous peoples in Argentina that meet the four criteria outlined in the policy. These populations are especially vulnerable to changes in land use or restrictions on their use of natural resources due to insecure land tenure and an economy based on subsistence agriculture. The potential impacts of a future National-REDD+ Strategy on indigenous peoples will be identified during the SESA process and measures to mitigate any impacts or maximize the benefits associated with future REDD+ investments will be reflected in an ESMF, which will contain specific sections addressing the requirements of OP 4.10. An Indigenous People Planning Framework will be prepared for use during the implementation of the REDD+ strategy. Stakeholder risk will be reduced by developing culturally appropriate consultations for Indigenous Peoples located in the selected provincial area where free prior and informed consultation will be conducted
Involuntary Resettlement OP/ BP 4.12	Yes	The policy on Involuntary Resettlement (OP 4.12) has been triggered as investments under the National REDD+ Strategy may place restrictions on the use of

		natural resources both within and outside of national protected areas. During REDD+ readiness, an assessment of the nature of potential impacts will be carried out as part of the SESA process and depending upon the geographical focus of REDD+ investments and the strategic options selected for the final version of the REDD+ strategy. Mitigation measures including support for improving the livelihoods of those impacted will be included in the ESMF; which will contain specific sections addressing these issues, as Resettlement Policy Framework (RPF) and/or a Process Framework (PF).
Safety of Dams OP/BP 4.37	No	It is not expected that activities during the preparation or following phases of REDD+ would neither imply projects related to the construction or rehabilitation of dams, nor will it support other investments which rely on the services of existing dams.
Projects on International Waterways OP/BP 7.50	No	It is not expected that activities during the preparation or following phases of REDD+ would imply projects on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project does not involve disputed areas.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 15-Jan-2018

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

The main safeguard instrument to be used during the REDD+ readiness project execution is the SESA that will serve to document the environmental and social benefits and risks of the REDD+ strategy based on a participatory approach. The SESA will be the analytical tool used to identify and assess the potential social and environmental impacts associated with the REDD+ strategic options. One of the main products of the SESA process will be an Environmental and Social Management Framework (ESMF), which will be prepared as an operational tool to manage risks and impacts and maximize the potential benefits of any future REDD+ investments. The ESMF is intended to be a live document that may evolve and be updated over time when new REDD+ strategy options and projects or activities (including investments), or policies/regulations are identified during implementation of REDD+. The SESA addresses the key environmental and social issues associated with the analysis and preparation of REDD+ strategy options as well as REDD+ projects, activities (including investments), policies and regulations. The SESA will ensure that a careful assessment is carried out to determine the risks to continued deforestation and forest degradation as a result of decisions taken outside of the direct control of the forest administration.

As per the World Bank's safeguard policy on Environmental Assessment (OP 4.01), an ESMF may contain specific sections addressing the requirements of other applicable safeguard policies

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

including, as relevant, an Indigenous Peoples Planning Framework (IPPF); a Resettlement Policy Framework (RPF); and/or a Process Framework (PF).

#### IV. APPROVALS

Task Team Leader(s):	Name: Peter Jipp	
<b><i>Approved By:</i></b>		
Regional Safeguards Advisor:	Name: Francis V. Fragano (RSA)	Date: 18-Jun-2015
Practice Manager/ Manager:	Name: Christian Albert Peter (PMGR)	Date: 30-Jun-2015