

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF019086
Printed On: 10/05/2018

Reporting Period: 07/01/2017 to 06/30/2018
Report Type: Progress Report
Report Status: Approved

Assignment: TF019086

Argentine Republic's Readiness Preparation - Readiness Fund for Forest Carbon Partnership Facility (FCPF)

FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000232745 - Giovanni Ruta
Approving Manager: 00000253690 - Valerie Hickey

Summary Information	
TF Status	ACTV
Recipient Country	Argentina
Executed By	Recipient
Managing Unit	9272 - GEN04
Grant Start Date / End Date	12/20/2016 to 10/17/2019
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	350,000.00 as of 06/30/2018
Disbursed 07/01/2017 to 06/30/2018	350,000.00
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF019086	Reporting Period:	07/01/2017 to 06/30/2018
Printed On:	10/05/2018	Report Type:	Progress Report
		Report Status:	Approved

OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the Grant is to assist the Recipient's REDD+ Readiness efforts, in particular those activities focusing on management arrangements, the development of a REDD+ strategy, and the carrying out of the Strategic Environmental and Social Assessment

Overall progress from 07/01/2017 to 06/30/2018 with regard to Achieving Grant Objectives:

Comment:

[NOTE: THIS GRM RECORDS PROGRESS AS OF 10 SEPTEMBER 2018, END DATE OF THE LAST SUPERVISION MISSION]

Substantial progress has been made against the Readiness Activities thanks to the companion project UN-REDD Program, which is supporting a number of REDD+ Readiness tasks. A cornerstone contribution of UN-REDD is the development of the national REDD+ strategy (entitled the National Action Plan of Forests and Climate Change, or PANBCC from its Spanish name) that has been formulated through a participative process involving the civil society and other stakeholder audiences. Despite an initial period of delays in implementation, the FCPF Readiness grant started to build on these accomplishments, contributing to the REDD+ dialogue and providing operational and analytical tools for the future implementation of Argentina's national REDD+ strategy.

During the reporting period, the Project Implementation Unit (PIU) has advanced on grant objectives. The Project has assisted the design of the legal and contractual architecture of a trust fund for the Protection of Native Forests; the main financial mechanism that is expected to be used to administer the moneys of the National Forest Law (#26331); and to raise, manage and distribute REDD+ funds, as well. The PIU is also formulating the Terms of Reference for a number of core activities, including the Strategic Environmental and Social Assessment (SESA), the development of the Environmental and Social Management Framework (ESMF) and several critical studies that will inform the national REDD+ strategy.

Overall progress from 07/01/2017 to 06/30/2018 with regard to Implementation of Grant Financed Activities:

Comment:

Modest progress has been made in the implementation of activities under the grant since its effectiveness date, resulting in low disbursement levels. A total of \$350,000 (or 9% of the grant) was disbursed since Project effectiveness. In spite of this, several contracts are in the final stages of the procurement process, including those to develop a Strategic Environmental Assessment of the livestock sector policy; an economic assessment of climate change mitigation measures under the PANBCC; as well as a study to apply the Restoration Opportunities Assessment Methodology (ROAM) in key areas. Combined, these activities would commit another \$590,000 of the grant proceeds.

Grant follow-up and structure

Description and context of Grant:

The Government of Argentina (GoA) is executing the grant provided by the FCPF Readiness Fund, though the Secretariat of Government for the Environment and Sustainable Development (SAyDS). Argentina became a partner country to the UN-REDD program in October 2009. Following the submission of the revised R-PP in 2014, the FCPF Participants Committee allocated grant funding to enable Argentina to move ahead with Readiness Preparation. The Grant Agreement for FCPF Readiness Fund was countersigned by the GoA on December 20, 2016 and became effective the same day.

The UN-REDD (FAO/UNDP/UNEP) Program, is another major multilateral donor supporting the Argentine R-P proposal implementation. Since the activities financed by the FCPF and UN-REDD are complementary, a trilateral coordination effort takes place between the World Bank (WB), the UN-REDD Program and SAyDS to ensure that any technical and administrative synergies between the programs are exploited. The PIU of also regularly updates its Annual Operational Plan to ensure that the FCPF Project builds on any progress made by the UN-REDD Program, avoids redundancies and continues to reflect the Government's priorities, by linking the original grant design with the current needs.

To facilitate and monitor the FCPF grant implementation, the WB conducts periodic formal implementation support missions (typically twice a year) and technical visits involving managerial and technical staff based in headquarters; and also provides

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF019086	Reporting Period:	07/01/2017 to 06/30/2018
Printed On:	10/05/2018	Report Type:	Progress Report
		Report Status:	Approved

continuous assistance to the GoA through its country-based team.

Expected follow up (if any):

Comment on follow up:

There is no follow-up planned at this stage since additional funding opportunities for REDD+ Readiness Preparation have been closed.

The GoA has not expressed intentions of signing an ERPA with the Carbon Fund in the short term, so no readiness package would be developed at this stage.

End Date of Last Site Visit:

Restructuring of Grant:

Given the accumulated implementation delays, during the recent implementation support mission in September 2018 the PIU and the WB Task Team (TT) determined that most of the on-going and planned activities cannot be fully implemented within the current Project time-frame. A restructuring and an extension of the project closing date is being considered. The purpose of such eventual extension would be two-fold: (i) to provide continuity to its activities; and (ii) to ensure that the objectives of the Project are met.

OUTCOME

Comments on outcome achieved from 07/01/2017 to 06/30/2018

Outcomes are being met: the management arrangements have been established; the strategic options, captured in the strategy, have been consulted and designed (although, studies to refine the strategic options are being prepared); the SESA is under procurement. See more details in the section on "Outcome indicators".

Grant Outcome Indicators

Grant outcome indicators are listed below.

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

Baseline No

Value:

Date: 12/29/2016

Progress to Date: Yes. Both committees have been already created and they are operational (at a very basic level, though, as the progress of other substantive activities that could be put to consideration of these committees is very limited).

Date: 09/10/2018

Target Value: Yes

Date: 04/30/2019

REDD+ strategic options are consulted and designed.

Baseline No

Value:

Date: 12/29/2016

Progress to Date: The National Action Plan of Environment and Climate Change (PABCC) has been developed The FCPF grant is building on this effort by supporting the development of the financing mechanisms and specific activities under the PABCC.

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF019086	Reporting Period:	07/01/2017 to 06/30/2018
Printed On:	10/05/2018	Report Type:	Progress Report
		Report Status:	Approved

Date: 09/10/2018

Target Value: Yes

Date: 04/30/2019

A participatory SESA (Strategic Environmental and Social Assessment) and an ESMF (Environmental and Social Management Framework) are prepared with feedback from key stakeholders.

Baseline No

Value:

Date: 12/29/2016

Progress to Date: The PIU has made progress in developing the Terms of Reference for these activities. The Strategic Environmental Assessment of the livestock sector policy # one of the key supporting elements of the SESA, is in the final stages of procurement.

Date: 09/10/2018

Target Value: Yes

Date: 04/30/2019

COMPONENTS

Output and Implementation by Component

1. REDD+ Management Arrangements and Grievance Redress

Status: Under Implementation

Planned Output: REDD+ Steering and Adv Committees established and operational; Grievance and Redress Mechanism developed; PIU (SAyDS) is reinforced; monitoring & evaluation tools for the project enhanced.

Actual Output: The Steering Committee (ST) and Advisory Committee for REDD+ were established and became operational in August 2017.

2. Development of REDD+ Strategy

Status: Under Implementation

Planned Output: Strategies to implement national Forests law identified; analytical work linking forestry and agricultural sectors completed; REDD+ Strategy developed.

Actual Output: The National REDD+ strategy for Argentina, entitled the National Action Plan of Environment and Climate Change (PABCC), has been developed by the UN-REDD Program.

3. National Monitoring Systems for Forests and Safeguards

Status: Planned

Planned Output: A participatory SESA is prepared and the ESMF, in accordance with the World Bank Safeguards Policies, is developed.

Actual Output: SESA under procurement.

Comment on planned and actual Output

Most of the key aspects of the REDD+ readiness in Argentina are supported by the FCPF grant and the UN-REDD Program. The FCPF project has made modest progress in delivering the planned results so far, however several key activities are undergoing procurement, or are already being implemented. They are expected to build on and complement the substantial progress the UN-REDD program has made in developing the national REDD+ Strategy. An action Plan and draft ToRs to develop SESA, an ESMF and a national feedback and grievance redress mechanisms were prepared by the PIU and reviewed by the TT, but the firm which would carry out the work has not been hired yet.

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF019086	Reporting Period:	07/01/2017 to 06/30/2018
Printed On:	10/05/2018	Report Type:	Progress Report
		Report Status:	Approved

Comment on component implementation progress

The FCPF # financed activities include:

Component 1: REDD+ Management Arrangements and Grievance Redress

This component assists the GoA in:

- (i)#Strengthening of the PIU by hiring additional human resources dedicated to the FCPF operation;
- (ii)#Strengthening the institutional arrangements for REDD+ readiness by supporting the establishment and operationalization of a Steering Committee (SC), functioning as a high-level decision-making body for REDD+, and an Advisory Committee for REDD+, composed of civil society organizations and functioning as a supporting body to the SC;
- (iii)#Development and testing of a Feedback, Grievance and Redress Mechanism (FGRM) for REDD+;
- (iv)#Support the Monitoring and Evaluation of the project#s implementation.

The Project successfully established and operationalized the Steering Committee (ST) and Advisory Committee for REDD+ in August 2017. The ST is led by the National Cabinet of Climate Change and the Federal Council of the Environment (COFEMA). In parallel, the Forests and Communities Project (IBRD) has developed a grievance redress mechanism to support the Integrated Community Plans involving indigenous and campesino communities living in the vicinity of forests. It could serve as a starting point for the FGRM for REDD+. The FGRM work under the FCPF grant has not been carried out yet.

Component 2: Development of REDD+ Strategy

This component assists the GoA in:

- (i)#Strengthening of the capacity to implement the Native Forest Law 26331 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.

The following progress has been observed during the reporting period:

(i) The project is currently supporting the development of the legal and contractual structure, as well as the governance framework for the national trust fund for the Protection of Native Forests, the main financial mechanism that is expected to be used to administer the moneys of the National Forest Law (#26331); and to raise, manage and distribute REDD+ revenues. A draft version of the Resolution of the SAyDS for the constitution of the trust fund has been prepared, the trust fund agreement is being finalized and the documents required for the incorporation of additional funds are also being elaborated. Preparation of the certificates of participation and documents for debt securities are also under way. In parallel, the PIU is formulating the modalities of several consultancies that will propose a mechanism to distribute funding of the Trust Fund across the country#s territory, as well as a strategy for future engagement with the private sector and potential investors. In December 2017, the Project carried out a regional, multi stakeholder workshop for knowledge-sharing on the implementation of financial mechanisms that support conservation of forests in Latin America.

(ii) The PIU has drafted Terms of Reference for the development of an information system on forest management and conservation plans, complementing the actions of Forests and Community Project (IBRD). The latter supports the development of integrated forest management plans, as well as a forest control system and a forest inventory, among others.

iii) The Project has defined a number of key consultancies that will explore the linkages between the forestry and agriculture sectors. The Terms of Reference have been finalized for the Restoration Opportunities Assessment Methodology (ROAM) development; the development of a Strategic Environmental Assessment of the livestock sector policy; the economic assessment of the mitigation measures under the PANBCC; and the characterization of producers involved in sustainable forest management. This analysis will add to and build on the REDD+ strategic options elaborated d by the UN-REDD Program.

iv) The Project is defining the scope of two key consultancies: one that will determine the greenhouse gas (GHG) emissions balance of the National Action Plan of Environment and Climate Change and a second one that will propose of an MRV system

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF019086	Reporting Period:	07/01/2017 to 06/30/2018
Printed On:	10/05/2018	Report Type:	Progress Report
		Report Status:	Approved

at the farm scale. This will build on the draft Forest (Emissions) Reference Level document developed under the UN-REDD Program, which Argentina aims to present to the UNFCCC at the end of 2018. The Terms of Reference for the Strategic Environmental and Social Assessment (SESA), the development of Monitoring & Evaluation tools and a Feedback, Grievance and Redress mechanism (FGRM) are also being developed.

Component 3: National Monitoring Systems for Forests and Safeguards

This component assists the GoA in:

- (i) Carrying out of a participatory SESA (including any necessary training for implementing agencies, in line with the stakeholder consultation and participation plan developed by SAYDS;
- (ii) Development of an Environmental and Social Management Framework (ESMF) that includes an Indigenous Planning Peoples Framework, a Resettlement Policy Framework and a Process Framework (if applicable), in accordance with the WB Safeguards Policies.

The Project is formulating combined Terms of Reference for the SESA and the ESMF, and is also procuring several supporting diagnostic studies. The work planned under this component has also been partially fulfilled by the UN-REDD program, as it is advancing on the development of a Safeguards Information System, as well as a national approach to applying the Cancun safeguards and reporting compliance with safeguards in line with the UNFCCC requirements.

EXECUTION

Bank project related to the grant

Project ID / Name:	P120414 - Argentina FCPF REDD Readiness
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

Implementing agency and contact details

Agency:	Secretariat of Climate Change and Sustainable Development		
Contact:	Irene Wasilevsky, FCPF Project Coordinator		
Address:	Tucumán 633 -5° Piso - C.A.B.A - Argentina		
Phone:	+54 011 4348 8648	Email:	iwasilevsky@ambiente.gob.ar
Website:	https://www.argentina.gob.ar/ambiente		

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those f

The grant supports activities that are part of an integrated readiness preparation work plan laid out in Argentina's R-PP proposal. It represents a combined financial envelope of approximately \$12 million and is supported by the GoA (SAYDS), the FCPF grant and the UN-REDD (FAO/UNDP/UNEP) Program. Since the activities developed through by these initiatives are complementary, a trilateral coordination effort takes place between the WB, the UN-REDD and SAYDS to eliminate potential redundancies and ensure that any technical and administrative synergies between the programs are exploited. The TT is also coordinating efforts with the IBRD-financed Natural Forests and Communities project that supports complementary activities.

All readiness activities are aligned with the National Action Plan of Environment and Climate Change that represents

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref.	TF019086	Reporting Period:	07/01/2017 to 06/30/2018
Printed On:	10/05/2018	Report Type:	Progress Report
		Report Status:	Approved

Argentina's REDD+ strategy. The Directorate of Climate Change sets the strategic lines of FCPF grant deliverables, while specific activities under the grant are developed and implemented by a dedicated PIU within SAYDS.

In terms of the key objectives of these different initiatives, the FCPF operation focuses on strengthening of the national institutional arrangements for REDD+, the preparation of the Strategic Environmental and Social Assessment (SESA), the development of Monitoring & Evaluation tools and a Feedback, Grievance and Redress mechanism (FGRM), and supports analytical work that underpins the REDD+ strategy. In contrast, the UN-REDD program has elaborated the National Action Plan of Forests and Climate Change, which represents Argentina's REDD+ strategy, and is financing the development of a Safeguards Information System, a National Forest Monitoring System, as well as the creation of a working group that will lead the development of the National Forest (Emissions) Reference Level. Other deliverables of the UN-REDD Program include a study of the causes of deforestation and forest degradation by forest region in Argentina, a study of future scenarios of deforestation per forest region and mapping of "non-carbon" benefits of forests, among others. The combined effort of these programs is expected to deliver solid Readiness Preparation results in Argentina.

2. Describe any important changes in the technical design or approach related to the Grant activities.

The project is being implemented mostly as originally designed. However, certain activities, particularly those relating to the design of the REDD+ strategic options under Component 2 have been adjusted to reflect the substantial progress that the UN-REDD Program has already made in this respect. Thus, the FCPF deliverables are adjusted to ensure they build on the complementary work of other initiatives, particularly those under the UN-REDD program and the Directorate of Forests.

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant.

The fiduciary capacity within the PIU has been strengthened as a result of the project. From the procurement perspective, the PIU has hired a Procurement Specialist, which has enabled it to advance the procurement work. From the technical perspective, the PIU relies on the support of experts in the Directorate of Forests, which has enabled it to make progress in implementation. However, several capacity gaps remain. The PIU is yet to recruit a technical expert in forests and a SESA specialist. The Project currently benefits from a SESA expert under the UN-REDD Program, thanks to strong collaboration and communicating between the two programs. However, the continuity of this technical support is uncertain, given that the UN-REDD project is currently scheduled to end in December 2018 (TT was told that an extension is likely, though).

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

Extensive consultation activities were conducted by the client, with the support of the UN-REDD Program, during the preparation of the available version of the REDD+ strategy. However, the progress achieved so far hardly considers the environmental and social risks and impacts of the proposed interventions. To that end, an action Plan and draft ToRs to develop SESA, an ESMF and a national feedback and grievance redress mechanisms were prepared by the PIU and reviewed by the TT, but the firm which would carry out the work has not been hired yet.

5. Is the ESMF prepared in accordance with the Common Approach?

No progress has been achieved on this front thus far.

6. Describe progress in stakeholder consultation, participation, disclosure of information, and the FGRM related to this Grant.

As it was mentioned above, extensive consultation and other participation activities were conducted in order to disseminate the progress achieved and gather feedback from stakeholders on the different technical studies conducted under the UN-REDD Program auspices. However, most of the final results of those technical studies and the national REDD+ strategy have not been disclosed and are not in the public domain, yet.

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF019086
Printed On: 10/05/2018

Reporting Period: 07/01/2017 to 06/30/2018
Report Type: Progress Report
Report Status: Approved

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2016	12/31/2016	0.00	0.00	0.00	0.00
01/01/2017	06/30/2017	0.00	0.00	0.00	0.00
07/01/2017	12/31/2017	0.00	0.00	350,000.00	350,000.00
01/01/2018	06/30/2018	0.00	0.00	350,000.00	0.00
07/01/2018	12/31/2018	0.00	0.00	0.00	0.00
01/01/2019	06/30/2019	0.00	0.00	0.00	0.00
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00