

# World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF019086  
Printed On: 10/07/2019

Reporting Period: 07/01/2018 to 06/30/2019  
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: 00000435502 - Pablo Francisco Herrera  
Approving Manager: 00000253690 - Valerie Hickey

Summary Information	
TF Status	ACTV
Recipient Country	Argentina
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	12/20/2016 to 12/30/2020
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	799,815.83 as of 06/30/2019
Disbursed 07/01/2018 to 06/30/2019	449,815.83
Donor	TF602001 - MULTIPLE DONORS

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

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## 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 07/01/2018 to 06/30/2019 with regard to Achieving Grant Objectives:

##### Comment:

[NOTE: THIS GRM RECORDS PROGRESS AS OF SEPTEMBER 27, 2019, END DATE OF THE LATEST SUPERVISION MISSION]

Substantial progress has been made under Argentina's UN-REDD Program, a key partner of the Project that is supporting complementary readiness activities, which has supported the development of the national REDD+ strategy (entitled the National Action Plan of Forests and Climate Change, or PANBCC) formulated through a participative process involving civil society and other stakeholder audiences. Despite of initial delays in implementation, the FCPF Readiness grant started to build on those accomplishments, contributing to the REDD+ dialogue and providing operational and analytical tools for the future implementation of Argentina's national REDD+ strategy.

In particular, the Project Implementation Unit (PIU) has primarily assisted the legal and contractual design of a Trust Fund to administer the National Fund for the Environmental Protection of Native Forests, the main financial instrument of the National Forest Law (#26331), used to finance the implementation of forest conservation plans and forest management plans. The Trust Fund was also designed to be used to raise, invest and distribute REDD+ related funds. Likewise, the PIU has supported the consolidation of the Trust Fund's operational manual, which encompasses the systematization of administrative procedures needed for its operation. Some critical pieces of work and studies that will nurture the national REDD+ strategy are already being developed. For example, the implementation of the Restoration Opportunities Assessment Methodology (ROAM); the economic assessment of the PANBCC's mitigation measures; and the setting up of Forest Inventory Permanent Sampling Plots in the Monte ecoregion. The PIU has also developed Terms of Reference and launched procurement processes for other core REDD+ readiness activities, including the Strategic Environmental and Social Assessment (SESA), the Environmental and Social Management Framework (ESMF) and the Feedback and Redress Grievance Mechanism (FGRM); as well as for the Strategic Environmental Assessment of livestock policies in the Chaco ecoregion. However, the contracts related to the latter have not been granted, yet.

#### Overall progress from 07/01/2018 to 06/30/2019 with regard to Implementation of Grant Financed Activities:

##### Comment:

Despite of the fact that during the reporting period FCPF Project has made significant efforts to support the settlement of the beforementioned normative processes for the effective implementation of the PANBCC, and to prioritize and refine the scope of the grant financed activities, modest progress has been made in their implementation. This is reflected in low disbursement levels. A total of \$ 1,386,576 (36,5%) have already been spent or are already committed under signed contracts, but only \$885,181 (or 23,3% of the grant) was disbursed since Project effectiveness.

The PIU has recently informed that the procurement process of the main expected consultancy, worth more than 50% of the grant proceeds, was declared void. That consultancy was expected to support the development of financial tools for REDD+ activities; the quantification of potential emission reduction of the strategic options included in the PANBCC; the development of SESA, the ESMF and the FGRM; etc. In response to that, the PIU has quickly developed an alternative procurement strategy disaggregating the activities in smaller procurement processes, most of which have already been launched (as well as the process to contract a firm to develop a Strategic Environmental Assessment of the livestock policies). Considering that, \$845,000 (22,2%) more are earmarked in mostly on-going procurement processes. This means approximately 41.3% of the grant would not be spent before its current closing date.

### 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, through the Governmental Secretariat of Environment and Sustainable Development (SGAyDS). Argentina became a partner country to the UN-REDD

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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 that supported the Argentine R-P proposal implementation until 2019. Since the activities financed by the FCPF and UN-REDD were complementary, the PIU regularly updates its Annual Operational Plan to try 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 and technical visits involving managerial and technical staff based in headquarters; and provides continuous assistance to the GoA through its country-based team.

**Expected follow up (if any):** Expanded capacity

### Comment on follow up:

Since additional funding opportunities for REDD+ Readiness Preparation have been closed, there is no follow-up planned at this stage. 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. However, during the latest implementation support mission the GoA has informed they are preparing a proposal to be submitted to the Green Climate Fund, which would include a REDD+ component.

### End Date of Last Site Visit:

### Restructuring of Grant:

Given the accumulated implementation delays, during the implementation support mission conducted in September 2018 the PIU and the WB Task Team (TT) determined that most of the planned activities could not be fully implemented within the original Project time-frame. An extension of the project closing date, until June 30, 2019 was approved on April 17, 2019. The purpose of such extension was to provide continuity to the Project activities, and to ensure that the objectives of the Project are met.

## OUTCOME

### Comments on outcome achieved from 07/01/2018 to 06/30/2019

- 1 - REDD+ Management arrangements have been strengthened through the establishment and functioning of Executive and Advisory Committees: Both committees created in the past reporting period continue operational facilitating, to a limited degree, the participation of key stakeholders.
- 2 - REDD+ strategic options are consulted and designed: The National Action Plan of Forest and Climate Change (PANBCC) has been developed mostly with the support of the UN-REDD Program, and represents the National REDD+ strategy for Argentina. The PANBCC was validated at political level in a Ministers roundtable called National Cabinet on Climate Change; and Argentina's PANBCC and other REDD+ related advances have been socialized to the extended audiences and stakeholders. The FCPF grant is building on this effort by refining the specifications of activities and mitigation measures under the PANBCC, and supporting the development of the financing mechanisms to implement them. In particular, with support of the FCPF grant the Agriculture and Forestry sector roundtable recently created under an initiative called #FORESTAR 2030# has prioritized REDD+ technical studies# needs.
- 3 - A participatory SESA (Strategic Environmental and Social Assessment) and an ESMF (Environmental and Social Management Framework) are prepared with feedback from key stakeholders: During 2018 an initial identification of environmental and social risks and benefits from the PANBCC implementation was conducted, and a forest safeguards working group was created; in addition, a safeguards workshop took place in May 2019, in order to learn from international experiences on how to address a common approach on safeguards (coordinating the adoption of the #Cancun Safeguards# and the World Bank safeguard policies. The PIU has also developed the Terms of Reference for SESA and ESMF and launched the respective procurement process. A Strategic Environmental Assessment of the livestock sector policy, one of the key supporting elements of the SESA, is also in the final stages of procurement. In addition, the PIU is planning to analyze Argentina's legal and institutional

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framework and compare the national safeguard interpretation with the World Bank Environmental and Social Standards, in order to identify gaps and propose a common approach.

## 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 Not created, not functioning

Value:

Date: 12/29/2016

Progress to Both committees created. No evidence of functioning available.

Date:

Date: 09/27/2019

Target Value: Created and functioning

Date: 06/30/2020

### REDD+ strategic options are consulted and designed

Baseline REDD+ strategic options are not designed

Value:

Date: 12/29/2016

Progress to The National Action Plan of Forest and Climate Change (PANBCC) has been developed mostly with the support of the UN-REDD Program, and represents the National REDD+ strategy for Argentina

Date:

Date: 09/27/2019

Target Value: REDD+ strategic options are consulted and designed

Date: 06/30/2020

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

Baseline REDD+ strategic options are consulted and designed

Value:

Date: 12/29/2016

Progress to The PIU has developed the Terms of Reference for SESA and ESMF and launched the respective procurement process.

Date:

Date: 09/27/2019

Target Value: SESA and MGAS developed

Date: 06/30/2020

## COMPONENTS

### Output and Implementation by Component

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### Component 1: REDD+ Management Arrangements and Grievance Redress

<b>Status:</b>	Under Implementation
<b>Planned Output:</b>	Steering and Advisory Committees established and operational; FGRM for REDD+ is developed; the PIU for the FCPF operation reinforced; M&E tools for the project enhanced.
<b>Actual Output:</b>	Steering and Advisory Committees established and operational; FGRM for REDD+ is developed; the PIU for the FCPF operation reinforced; M&E tools for the project enhanced

### Component 2: Development of REDD+ Strategy

<b>Status:</b>	Under Implementation
<b>Planned Output:</b>	Strategies for resources management for REDD+ identified; forest management plans monitoring strengthened; analytical work linking forestry-agriculture-CC developed; REDD+ Strategy
<b>Actual Output:</b>	Economic valuation of PANBCC mitigation measures and forest Inventory started. ROAM is being used to support forest restoration efforts. REDD+ strategy developed by the UN-REDD

### Component 3: National Monitoring Systems for Forests and Safeguards

<b>Status:</b>	Under Implementation
<b>Planned Output:</b>	A participatory SESA of the REDD+ strategy and an ESMF are developed by SGAYDS (including an IPPF, a RPF and a PF, in accordance with the WB policies)
<b>Actual Output:</b>	The Terms of Reference for the development of SESA and the ESMF (including IPPF, RPF and PF) have been prepared, and the procurement process has been launched

## Comment on planned and actual Output

Most of the achievements of the REDD+ readiness process in Argentina have been supported the UN-REDD Program. The FCPF project has made modest progress in delivering its planned outputs so far. However, several key activities are undergoing their respective procurement processes, and some of them are already being implemented. They are expected to build on and complement the progress the UN-REDD program has made until now 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, as the procurement process has been recently re-launched.

## 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 a Feedback, Grievance and Redress Mechanism (FGRM) for REDD+;
- (iv)#Support the Monitoring and Evaluation of the project#s implementation.

As previously mentioned, 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). Additionally, under FCPF support, during the reporting period the PIU has been strengthened by hiring a Forest Expert and a Safeguards Specialist. The procurement process to hire the development of a Feedback, Grievance and Redress Mechanism (FGRM) for REDD+ is about to finish. This mechanism will be articulated with the SESA-ESMF channeling complaints and reports related to risks and impacts from the PANBCC implementation, and also will consider the Forests and

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Communities Project (IBRD) existing mechanism, as it supports forest management plans involving indigenous and peasant communities living in forests.

### 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 the REDD+ strategic options.

The following progress has been observed during the reporting period:

- (i)#The Project continues to support the Trust Fund for the Environmental Protection of Native Forests, which is the main financial mechanism that manage National Forest Law (#26331) financial resources, raise, manage and distribute REDD+ revenues, and implement PANBCC strategic options.
- (ii)#The Strategic Environmental Assessment of the livestock sector policy is in the final stages of its procurement process.
- (iii)#The consultancies for economic valuation of PANBCC mitigation measures, the characterization of producers involved in sustainable forest management, as well as Restoration Opportunities Assessment Methodology (ROAM) have started.
- (iv)#The FCPF Project will contribute to the National Forest Monitoring System through two activities: first, a consultancy that will refine the estimations of the GHG emissions balances of the PANBCC measures; and develop a Monitoring, Reporting and Verification system proposal for mitigation measures usual practices (conservation, sustainable use, restoration and recovery, forest fires prevention and avoided deforestation). Second, to complete the set up of Forest Inventory permanent sampling plots in the Monte, Espinal, Parque Chaqueño and Andean Patagonian forest regions. Installation of the plots is planned to start during the fourth quarter of 2019.
- (v)#Terms of Reference have been prepared and approved for the development of a Strategic Environmental Assessment of livestock policies in the Parque Chaqueño region; as well as for the development of monitoring & evaluation tools on native forests at national and local level # SESA -ESMF and FGMR. Both processes are currently at final procurement stage.

### Component 3: National Monitoring Systems for Forests and Safeguards

This component assists the GoA in:

- (i)#Carrying out 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. in forests.

## 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

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## 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.gov.ar
Website:	<a href="https://www.argentina.gov.ar/ambiente">https://www.argentina.gov.ar/ambiente</a>		

## 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 and represents a combined financial envelope of approximately \$12 million. The whole preparation work has been supported by the GoA (SAyDS), the FCPF grant and the UN-REDD (FAO/UNDP/UNEP) Program. This late program finished in July 2019, and all current REDD+ activities are implemented by the GoA and FCPF with a complementary approach to the initial work performed by UN-REDD.

The UN-REDD program has elaborated the National Action Plan of Forests and Climate Change, which represents Argentina's REDD+ strategy, and financed the development of a toolbox on safeguards, and 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, and a study of future scenarios of deforestation per forest region and mapping of "non-carbon" benefits of forests.

The FCPF operation focuses on strengthening 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 implementation of the REDD+ strategic options. In order to do so, the FCPF will integrate the initial environmental and social risks analysis developed by UNREDD, identify gaps and information needs to complete SESA process requirements, and consolidate a matrix of social and environmental risks, impacts and benefits that could result from PANBCC implementation. The aforementioned toolbox on safeguards developed by the UN-REDD program will be integrated into the ESMF, as specific procedural instrument to address, avoid and mitigate potential PANBCC impacts. As result, the UN-REDD activities would be complemented by the FCPF Project, which aim to facilitate and generate bases and inputs for PANBCC local implementation.

Additionally, the WB TT is also fostering coordination efforts between the REDD+ initiatives and the IBRD-financed Forests and Community Project (P132846), that supports complementary investments.

#### 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) were adjusted to reflect the progress that the UN-REDD Program has already made in this respect, so FCPF deliverables were redefined to ensure they build on the complementary work of other initiatives, particularly those under the UN-REDD program and the National Forests Directorate.

#### 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, and from the technical perspective, the PIU has hired a forest expert (who is no longer hired by the Project, as she became the National Forests Director, but anyway is providing support to the Project in that capacity) and a SESA specialist that previously worked under UNREDD program. Nonetheless, the allocation of National Public Administration resources presented some limitation during



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2018 second half, so the consultancies# procurement processes were delayed as result.

#### 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. Since January 1st, 2019, the SESA Specialist joined the PIU work team. The "Consulting for Technical and Financial Development of The Trust Fund for Environmental Protection of Native Forests" is in the final stages of its procurement process. Unless such procurement process fails, this consulting would develop the ESMF, SESA process and Feedback and Grievance Redress Mechanism.

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

The terms of reference for SESA and ESMF development considered the Guidelines and Generic Terms of Reference for Strategic Environmental and Social Assessments (SESAs) and Environmental and Social Management Frameworks (ESMFs) of the World Bank, so the ESMF is expected to be prepared in accordance with the Common Approach.

#### 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 under the UN-REDD Program auspices, in order to disseminate the progress achieved and gather feedback from stakeholders on the different technical studies conducted. 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. Nonetheless, under the FCPF support a second round of multisectoral dialogues was carried out in 2018, with following outcomes: prioritization of PANBCC operational axes according to provincial contexts; a proposal design for specific intervention activities, where possible priority areas, timetable and measures were defined; and an initial identification of social and environmental risks and benefits. Additionally, new and deeper consultation processes will be carried out once the SESA consultancy begins.

## 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	350,000.00	0.00
01/01/2019	06/30/2019	0.00	0.00	799,815.83	449,815.83
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00
01/01/2020	06/30/2020	0.00	0.00	0.00	0.00
07/01/2020	12/31/2020	0.00	0.00	0.00	0.00