

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

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Reporting Period: 12/20/2016 to 12/31/2021
Report Type: Completion
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: 00000226603 - Genevieve Connors

Summary Information	
TF Status	ACTV
Recipient Country	Argentina
Executed By	Recipient
Managing Unit	9272 - SLCEN
Grant Start Date / End Date	12/20/2016 to 12/31/2021
Original Grant Amount	3,800,000.00
Grant Amount	3,203,855.29
Outstanding Commitments	0.00
Cumulative Disbursements	2,935,676.91 as of 7/25/2022
Disbursed 12/20/2016 to 7/25/2022	2,935,478.91
Donor	TF602001 - MULTIPLE DONORS

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

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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 12/20/2016 to 12/31/2021 with regard to Achieving Grant Objectives:

Comment:

Argentina has met the objectives financed by the Grant and has been assisted in its REDD+ Readiness efforts. The Grant supported the setting up of management arrangements for REDD+ implementation (e.g., the capacities and organizational structure of the Ministry of Environment and Sustainable Development (MAyDS) were strengthened to implement REDD+ and REDD+ Executive and Advisory Committees were established, which served as a reference for the current governance committees for the REDD+ Strategy implementation phase). Regarding the REDD+ strategy, which was developed with support from the UN-REDD Program financed and technically supported by FAO, UNDP and UNEP, analytical work has been conducted to further develop the selected strategic mitigation measures and explore linkages and synergies between forestry and agricultural sectors in the context of REDD+. Additionally, a draft Strategic Environmental and Social Assessment (SESA) and a draft Environmental and Social Management Framework (ESMF) were prepared on a participatory manner, with feedback from key stakeholders. Also, a Feedback, Grievance and Redress mechanism (FGRM) proposal was elaborated. These instruments serve as a basis for environmental and social safeguards for the REDD+ Strategy implementation.

Overall progress from 12/20/2016 to 12/31/2021 with regard to Implementation of Grant Financed Activities:

Rating: Moderately Satisfactory

Comment:

The program was effective even though external contextual factors, such as COVID-19 Pandemic, generated delays in implementation. Internal factors such as management changes also implied change in priorities of the climate change agenda that impacted on the project implementation. Among consequences of these management changes, it could be mentioned that, with the change of government administration, the National Forest Restoration Plan ceased to be a priority, which led to all activities related to said plan being eliminated (e.g. Restoration Opportunities Assessment Methodology (ROAM) to identify and assess forest landscape restoration opportunities). Also, changes in the areas of MAyDS in charge of the project led to the cancellation of planned and designed activities, such as the strategic environmental assessment of the Livestock Plan in native forest areas.

Despite the initial slow progress, the new government that took office in December 2019, strengthened the Project Implementation Unit and increased the pace of implementation, executing in 2020 more than threefold the average amount executed in previous years. As a result of its renewed commitment to the agenda, the expected key results were completed: i) REDD+ Management arrangements were strengthened through the establishment and functioning of Executive and Advisory Committees that have been operating since 2017; ii) REDD+ strategic options were consulted and designed as an economic analysis and a gender informed results-based payment proposal has been developed, consulted and submitted to the Green Climate Fund; and iii) A participatory draft SESA and a draft ESMF were prepared with feedback from key stakeholders. Although SESA and ESMF drafts were not finally approved by the World Bank which explains the proposed Moderately Satisfactory rating, they include a solid structure and recommendations from the World Bank for future use during the implementation stages of the REDD+ Strategy.

FCPF supported the REDD+ readiness stage, preparing Argentina to access financing for results related to the reduction of emissions from deforestation and forest degradation. In this context, environmental and social assessments were conducted at the strategic level, but given no concrete investment project or emissions reduction purchase agreements were under preparation, the executing agency decided not to disclose such drafts. Under the eventual future preparation of a new

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as per the financing institution requirements.

With the restructuring approved in June 2020, the Grant closing date was extended until February 17, 2021. Even though Project's investments increased by 140% between the years 2019 and 2020, it has not been possible to comply with all the commitments, largely due to the sanitary protocols and other measures applied to address the Covid-19 pandemic. For example, the restrictions to public events and gatherings prevented the development of some of the consultation workshops required for the development of SESA and the related ESMF and the trainings. Consultancies were also delayed due to mobility restrictions and border closures imposed as preventive measures. For this reason, an additional extension of the Grant closing date was requested on February 2021, together with a cancellation of almost US\$ 600,000 of the grant as the hiring and implementation of new activities would not be feasible in the time extension requested. The extension was granted until December 31, 2021 and the cancellation was processed accordingly.

Despite implementation delays being greater than those foreseen in the restructuring of June 2020, all planned procurement processes were finally launched, all contracts were signed and concluded before closing date (December 31, 2021).

As of July 25, 2022, total disbursement was US\$ 2,935,478.91 (91.6% of the funds, considering the cancellation of US\$ 596,144.71 requested by the Recipient in 2021 recognizing that some of the planned activities were no longer relevant or would have lower costs than originally planned). A total of \$268,376.38 was undisbursed. Even though the amounts finally disbursed were lower than those originally planned, the originally proposed activities and outcomes were generally achieved and, therefore, that the execution of the Grant is considered moderately satisfactory.

Grant follow-up and structure

Description and context of Grant:

Argentina is a partner country to the UN-REDD Program since October 2009. Following the submission of the revised Readiness Preparation Proposal (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 Government of Argentina (GoA) on December 20, 2016 and became effective the same day. The GoA executed the grant provided by the FCPF Readiness Fund, through the National Climate Change Directorate and the ministerial Chief Cabinet, both under the Secretariat of Environment and Sustainable Development (SAyDS), and the National Forest Directorate of the National of the MAyDS. The SAyDS was a state secretariat of Argentina that existed until December 2019 when it was replaced by the MAyDS. It functioned under the jurisdiction of the Cabinet of Ministers, having as its function the implementation of environmental policies and its management in the territory and within the Public Administration. As mentioned, the Grant also started its implementation within the Climate Change Directorate but then changed to the National Forest Directorate. These internal changes were reflected in changing priorities and interpretations of the grant agreement and workplan, as well as accumulated delays during the first years of implementation.

The UN-REDD Program supported the Argentine R-P proposal implementation until 2019. Since the activities financed by the FCPF Readiness Project and UN-REDD Program were complementary, the PIU regularly updated its Annual Operational Plans trying to ensure that the FCPF Project builds on any progress made by the UN-REDD Program.

To facilitate and monitor the FCPF grant implementation, the World Bank conducted periodic formal implementation support missions and technical meetings involving managerial and technical staff; and provided continuous assistance to the GoA. The World Bank supervision benefited from relative continuity of the Task Team during the project lifecycle. The Bank dedicated substantial resources to implementation support with 12 missions during project implementation, that included environmental and social supervision as well as financial and procurement specialist support. Implementation supervision and results reports (GRMs) were timely and aide memoires reflected the key issues flagged during implementation. Several additional follow up supervision meetings took place between missions, with special intensity close to project restructurings, when the PIU required more support. Bank procurement and FM staff were effective in resolving and providing solutions to issues as they arose, and in assisting counterpart staff with training in procurement processes. Bank fiduciary staff played a crucial role in working with the PIU to monitor budget allocation and planning, and disbursement progress.

Expected follow up (if any): -

Comment on follow up:

Argentina is currently implementing its first REDD+ Results-Based Payment, approved by the Green Climate Fund on November

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13, 2020, for an amount of US\$ 82,000,000, and a 6-year period; which will be used to strengthen national forest protection policies developed within the framework of the Law on Minimum Standards for the Environmental Protection of Native Forests, and to implement the REDD+ Strategy.

End Date of Last Site Visit: Mobility restrictions associated with COVID-19 pandemic prevented further in-person visits after February 2020. However, the Task Team engaged regularly in virtual missions and technical support meetings with the PIU until grant closure. The last implementation support mission was conducted remotely on November 18, 2021.

Restructuring of Grant:

Three project restructurings took place during the project implementation. The first, dated 2019, involved a 14-month extension closing date, from April 17, 2019 to June 30, 2020. The second restructuring, dated 2020, involved a second extension of the closing date from June 30, 2020 to February 17, 2021. Despite a slightly improved performance and progress towards the achievement of the objectives, a third restructuring, dated 2021, was needed to overcome specific circumstances that had delayed the implementation of many activities, and some implementation challenges identified by the Task Team. The Project went through two management changes at the national level and the PIU lost key personnel between 2019 and 2021. The outbreak of the COVID-19 pandemic led to mandatory social isolation measures in Argentina aimed to prevent the spread of the virus, which also hampered the implementation of some Project activities as limitations were imposed to the continuity of consultations; and face to face interaction with stakeholders was discouraged. Additionally, deficiencies in the implementation of social safeguards and the M&E system, that were affecting the progress towards the achievement of the objectives, required additional time to be properly addressed. This restructuring extended the closing date by ten months from February 17, 2021, to December 31, 2021 and recognizing that some of the planned activities were no longer relevant or would have lower costs than originally planned, the restructuring also included the cancellation requested by the Recipient of US\$596,144.71 of the Grant proceeds. This third extension resulted in a cumulative extension of 32 months.

The extensions of the Grant also provided an opportunity to maintain and deepen WB's ongoing dialogue on climate, and the development of a more robust climate pipeline including the preparation of a new investment loan in forestry, backed up by climate analytics and a deep dive on climate in Argentina as part of the regional Climate Change Action Plan. The extension was also critical to support the preparation of a new investment lending operation with the MAYDS (Sustainable Recovery of Landscapes and Livelihoods, P175669; approved by the WB Board of Directors in Q3 FY22 and expected to be effective in Q1 FY23); and, not only to ensure continuity on the dialogue and engagement until the new project becomes effective, but also to technically inform its design in terms of the climate benefits of the recovery investments.

All restructurings were targeted and effective. Each restructuring led to an increase in the project's disbursements and in the execution of resources and implementation of activities on the ground.

OUTCOME

Comments on outcome achieved from 12/20/2016 to 12/31/2021

Among the outcomes of the Readiness Preparation Activities the following ones can be highlighted:

1. REDD+ Management arrangements have been strengthened through the establishment and functioning of Executive and Advisory Committees. During the project implementation, both committees provided general guidance for the implementation of REDD+ Readiness Preparedness Activities and the REDD+ Strategy overall, linked to the FCPF Readiness Project and the UN-REDD Program as complementing programs. Currently, the REDD+ Results-Based Payment project is using those structures as reference for the governance of its implementation.
2. The REDD+ Strategy (the National Action Plan on Forests and Climate Change) has been developed and is currently under implementation. The REDD+ Strategy was launched in 2017 after a participatory elaboration process supported by the UN-REDD Program. The FCPF Readiness Project has supported the process of its implementation by the generation of key information and mechanisms to enhance policy design, decision making, governance and monitoring of the strategic mitigation measures established in the REDD+ Strategy. Additionally, Readiness Preparation Activities financed or complemented by project activities have led to the approval of the REDD+ Results-Based Payment by the Green Climate Fund, as they have supported the public consultation and participatory process of the design of its Funding Proposal,

which will help Argentina to strengthen the implementation the REDD+ Strategy and the enforcement of the National Forest Law.

3. A draft SESA and a draft ESMF were prepared on a participatory manner, with feedback from key stakeholders. Also, a Feedback, Grievance and Redress mechanism proposal was elaborated. These instruments served as a basis to the MAYS to fulfill the environmental and social safeguards required by the Green Climate Fund for the REDD+ Results-Based Payment Project design and current implementation. Additionally, these instruments are available to be used by the MAYS for the implementation of the REDD+ Strategy.

Grant Outcome Indicators for each Component

Grant outcome indicators are listed below.

Component 1: REDD+ Management arrangements and Grievance Redress

Indicator 1:

Target value: Strengthening the capacity of the Readiness Preparation Activities implementation unit ("Project Implementation Unit" or "PIU") by hiring technical experts in the areas of natural resource management, strategic environmental and social assessment, and others, such as administrative assistance.

Outcomes achieved:

The technical and administrative experts hired for the FCPF Readiness PIU not only enhanced and made possible the implementation of the FCPF Readiness Project, but many of them are now hired by the MAYS as part of the implementation of the REDD+ Results-Based Payment project. The experience gained during the FCPF Readiness Project implementation, as well as during the UN-REDD Program implementation (several of them worked in both PIUs at different moments), is an asset that has been considered valuable by the MAYS when establishing the PIU of the REDD+ Results-Based Payment project.

Indicator 2:

Target value: Establishing and operationalization of: (A) a REDD+ decision making body ("Steering Committee") composed of representatives of relevant government agencies, functioning as a high-level decision-making body for REDD+; and (B) an advisory committee for REDD+, composed of civil society organizations and functioning as a support body to the Steering Committee under (A).

Outcomes achieved:

The general structure and integration of the REDD+ Steering and Advisory Committees established and operationalized during both the FCPF Readiness Project and UN-REDD Program, has been taken as a reference by the MAYS when establishing the Project Board and the Enlarged Forest Consultative Council and Provincial Forest Consultative Committees for the REDD+ Results-Based Payment project implementation. The REDD+ Results-Based Payment Project Board has maintained 80% of the members of the FCPF Readiness Project Steering Committee (only one out of five members was not included -COFEMA-). Although the REDD+ Advisory Committee at the national level has not maintained the same ratio when establishing the Enlarged Forest Consultative Council, the REDD+ Results-Based Payment Project established provincial level Forest Consultative Committees which include government agencies as well as, academic and technical institutions, professional associations and non-government organizations which are active in the territory. This way, the representation of the members of the REDD+ Steering Committee is maintained and enlarged, including a stronger local level of participation. These committees, through their members, interact with the National Climate Change Cabinet which is integrated by all national level ministries and secretariats and representative of COFEMA, as well as by academic, research, non-governmental and workers' organizations, to representatives of the private sector, among others, in sectoral and "expanded" governance sub-committees.

Indicator 3:

Target value: Designing and implementing or, if applicable, strengthening existing feedback, grievance and redress mechanisms to meet the needs of people who might be affected by REDD+.

Outcomes achieved:

A Feedback, Grievance and Redress Mechanism proposal for the REDD+ Strategy was designed. This proposal is currently available for its implementation as it is based on the existing communication channels of the MAYS. Additionally, a comprehensive communication strategy to promote the implementation of the REDD+ Strategy was developed, which strengthens the public knowledge on the REDD+ Strategy and the public's right to present feedback and complaints and receive an adequate response. This communication strategy can help involving stakeholders' engagement in constructive information, monitoring and feedback-providing processes during the design and implementation of REDD+ initiatives.

Indicator 4:

Target value: Supporting the monitoring and evaluation of the Readiness Preparation Activities through the preparation of a monitoring and evaluation framework, progress report sheets, a mid-term progress report, a Readiness Package, and external financial audits.

Outcomes achieved:

The Readiness Preparation Activities have been guided by an annual operational plan developed in line with the grant's monitoring and evaluation framework. Monitoring has been supported by progress report sheets, a mid-term progress report, external financial audits, and supervision missions. The mentioned monitoring and evaluation instruments have led to the identification of lessons learned that should enhance the implementation of the REDD+ Strategy.

Component 2: Development of REDD+ Strategy

Indicator 5:

Target value: Strengthening the capacity of: (A) the Recipient to implement the Ley 26,331 Bosques Nativos in areas relevant to REDD+; and (B) a minimum of three provinces in the Recipient's territory with high strategic relevance to REDD+ to improve their capacity to implement REDD+ related activities.

Outcomes achieved:

The FCPF Readiness Project has supported the development of diverse actions that have given Argentina, both at national and sub-national levels, more and better capacities to implement the #26,331 National Law and the REDD+ Strategy, as well as achieving Argentina's NDCs.

By supporting the elaboration of the Second National Native Forest Inventory; by developing and enhancing digital forest information systems at national and sub-national levels; and by financing the strengthening and extension of the Deforestation Early Warning System in 4 out of 6 forest regions of Argentina (currently the ones with higher deforestation rates); Argentina has now a better knowledge on the status of its forests, has a more complete and agile information system to manage them, and has a more effective capacity to control that the use people make of forest lands is according to the legal framework. Also, by supporting the creation of the Forest and Climate Change Trust Fund, Argentina has a financial instrument that is now allowing a more efficient and transparent mechanism to administer the National Forest Fund, as well as the possibility to attract new donations or other types of funding and finance to implement the REDD+ Strategy.

The implementation of the REDD+ Strategy has been strengthened by supporting the generation of key information on the strategic mitigation measures of the REDD+ Strategy, as for example on the impact and balance on carbon stocks and carbon capture by those measures, on the value and costs of those measures, on the characteristics of their key stakeholders and territorial players, and on key potential forest basins. This information was used by the MAyDS during the design process of the recent REDD+ Results-Based Payment Project currently under implementation and focusing mainly on 4 out of the 6 strategic mitigation measures of the REDD+ Strategy.

By generating better capabilities on +300 forest management plans designers, evaluators and inspectors, as well as better knowledge on the public through the communication strategy, stakeholders have more and better tools to protect and use forest lands on a sustainable manner.

Indicator 6:

Target value: Conducting of analytical work to explore the linkages and synergies between the Recipient's forestry and agricultural sectors in the context of climate change and REDD+.

Outcomes achieved:

By supporting the generation of key information on the strategic mitigation measures of the REDD+ Strategy and training +300 forest management plans designers, evaluators and inspectors, decision makers and technical agents in forestry and agricultural sectors, both at national and sub-national levels, key actors and stakeholders have better tools to work together on the sustainable use of forest lands, for example by enhancing the forest land zonings, by promoting silvopastoral use of native forests on more sustainable manners, or by promoting a more sustainable and efficient use of forest wood and non-wood products.

Indicator 7:

Target value: Designing of REDD+ strategic options and conducting technical evaluations thereof.

Outcomes achieved:

The REDD+ Strategy has been developed with support of the UN-REDD Program. Key information to enhance its implementation, mainly on its strategic mitigation measures, was developed with support of the FCPF's grant, as for example on the impact and balance on carbon stocks and carbon capture by those measures, on the value and costs of those measures, on the characteristics of their key stakeholders and territorial players, and on key potential forest basins. Additionally, a proposal for a Monitoring and Measurement, Reporting and Verification (MRV) system was developed. This MRV is now available to evaluate the implementation of the REDD+ Strategy and its support to achieve Argentina's NDCs.

Component 3: Strategic Environmental and Social Assessment

Indicator 8:

Target value: Carrying out of SESA in accordance with the terms of the SESA Workplan, including diagnostic studies to assess the key risks of the strategic options under the designing of REDD+ strategic options and conducting technical evaluations thereof.

Outcomes achieved:

As mentioned in the previous sections, a draft SESA was prepared in a participatory manner. This instrument served as a basis to the MAyDS on the design process of the REDD+ Results-Based Payment Project currently implementation.

Indicator 9:

Target value: Preparing an ESMF, including an Indigenous Planning Peoples Framework ("IPPF"), a Resettlement Policy Framework ("RPF") and, if applicable, a Process Framework ("RP"), all in accordance with the World Bank's Safeguard Policies.

Outcomes achieved:

As mentioned in the previous sections, a draft ESMF, including an Indigenous Planning Peoples Framework (IPPF), a Resettlement Policy Framework (RPF) was prepared on a participatory manner. This instrument served as a basis to the MAyDS on the design process of the REDD+ Results-Based Payment Project currently implementation.

COMPONENTS

Output and Implementation by Component

Component 1: REDD+ Management Arrangements and Grievance Redress

Status:	Completed
Planned Output:	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.
Actual Output:	Steering and Advisory Committees established, and members of both committees interacted bilaterally frequently but not systematically; FGRM for REDD+ was developed; the PIU for the FCPF operation was sufficiently staffed during the implementation of the Grant and part of it continues in the REDD+ Results-Based Payment project; M&E tools for the project implemented.

Component 2: Development of REDD+ Strategy

Status:	Completed
Planned Output:	Strategies for resources management for REDD+ identified; forest management plans monitoring strengthened; analytical work linking forestry-agriculture-CC developed; REDD+ Strategy
Actual Output:	REDD+ strategy was developed by the UN-REDD program; Economic valuation of the mitigation measures of the REDD+ Strategy were concluded; permanent forest inventory plots have been installed, and Systematization of information on native forests at the national and local level was concluded; balance of Greenhouse Gas emissions Greenhouse (GHG) of REDD+ Strategy measures was concluded. The optimization and expansion of the Deforestation Early Warning System (SAT) was concluded.

Component 3: National Monitoring Systems for Forests and Safeguards

Status:	Completed
Planned Output:	A participatory SESA of the REDD+ strategy and an ESMF are developed by MAyDS (including an IPPF, a RPF and a PF, in accordance with the WB policies)
Actual Output:	Draft SESA and ESMF (including IPPF, RPF and PF) are available. Final versions were delivered in December 2021 by the PIU, but in January 2022 the WB recommended not to publish them since they were considered not acceptable by the Safeguards Specialists.

Comment on planned and actual Output

Activities planned by the last management of the FCPF have been completed and outputs delivered.

Comment on component implementation progress

The FCPF financed activities include:

Component 1: REDD+ Management Arrangements and Grievance Redress

Steering and Advisory Committees were established, serving both for the FCPF Readiness Project as well as for the UN-REDD Program implementation. The design and development of the Communication Strategy of the REDD+ Strategy, the draft ESMF and the FGRM were undertaken. The objective was the designing and developing of a comprehensive communication strategy to promote the implementation of the REDD+ Strategy, ESMF and FGRM, and in general all the social safeguards and operational environmental standards for REDD+. Audiovisual pieces, tutorials, projections, a cycle of podcasts, pictograms, trivia, among other products, to supply social networks and the different MAYDS platforms, and an operational manual was created for the Directorate of Press of the MAYDS for the implementation of different communication tools.

Component 2: Development of REDD+ Strategy

Subcomponent: Strengthen the recipient's capacity to implement Law No. 26,331 of Native Forests in relevant areas for REDD+.

Installation of Remediable Forest Inventory Parcels. Installation, measurement and data analysis of 500 plots of the Second Inventory National Park of Native Forests in 4 forest regions. As a result, a preliminary containing a Work Plan with the planning of the field work, the Environmental Form and Preliminary Social prepared (FASP), a final document with the data of the survey to field (established in the Terms of Reference), a document with the field sheets digitized and a Report on actions of Social and Environmental Safeguards implemented. This activity helped to finish and publish the Second National Native Forest Inventory in 2020.

Systematization of Information on Native Forests at the National and Local Level. Its objective was the systematization of information on native forests at a property scale, provincial and at landscape scale for 5 provinces (validated with the National Directorate of Forests). To do this, the consultant surveyed and analyzed data, systems and information platforms on forests natives available. Based on what was found, it generated a proposal to systematize the information on native forests, mainly at farm and landscape scale, in addition to integrate the different MAYDS web platforms related to the management of Native Forests.

Consultancy for conducting training for formulators, evaluators and managers of Management and Conservation Plans within the framework of Law 26,331 of Minimum Standards for Environmental Protection of Native Forests. Its purpose was the elaboration of the program of training, with its theoretical and practical content, exercises, evaluations, among others; design, production and realization of the didactic material (manuals) to execute the trainings and the dictation of the same. The topics addressed by the training were on aspects key technicians for the implementation of the REDD+ Strategy, specifically in the assembly and evaluation of plans of the following modalities: forest management with integrated livestock, restoration of forests, community management plans, sustainable forest use and forest basins; the necessary elements were provided for the prevention of forest fires, mainstreaming the gender and human rights approach in all measures, as well as the implementation of the social and environmental safeguards. The contents were adapted for the 6 strategic forest regions. The dictation of the classes was in the form of a program, with a duration of 5 months, where classes were held weekly. The first 3 classes were on general topics, such as an introduction to the plans of Law No. 26,331, gender and safeguards, and then continued the technical issues. Each of them covered 3 weeks, the first class was common to all regions, and the 2 subsequent classes were dictated by strategic forest region. Although the Annual Plan specified the training of 1200 people, considering each theme (8) and each strategic region (6), it was prioritized that professionals receive more than one training and were trained on various topics. The training cycle finally started with 624 people and 318 passed the full cycle.

Optimization and Expansion of the Deforestation Early Warning System (SAT). A consultancy generated products that represent an important input to optimize the SAT for the Parque Chaqueño region, as well as for its expansion in regions and subregions forests in which it is not currently operational: Yungas, Selva Paranaense, Espinal district of the Nandubay, Chaqueño Park, Arid, Serrano and Transition subregions. In addition, it generated tools and information necessary for a later expansion of the SAT for the Spinal region (Caldén District), focusing on monitoring the impact of fires on native forests.

Legal Consultancy for the Structuring of the Trust Fund for the Environmental Protection of the Native Forests. Progress was made in the structuring for the administration of the Trust Fund which administers the National Fund for the Enrichment and Conservation of Native Forests created and financed by the National Forest Law, legal framework of management policies, protection and conservation of native forests in Argentina. Thanks to this instrument, administrative processes were simplified and contributed to the compliance of its objectives. In addition, a specific account was created for the administration of funds destined specifically to the fulfillment of the objectives of the REDD+ Strategy

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Subcomponent: Design strategic options for REDD+ and carry out technical evaluations of those options.

Integrated Forests and Livestock Management (MBGI) workshops in Santiago del Estero and La Pampa: Two training cycles on MBGI were financed for the implementation of the mitigation measures of the REDD+ Strategy, which had the objective to strengthen the capacity of the recipient to implement Law No. 26,331 on Forests natives in areas relevant to REDD+. As a result, a Management Workshop report was obtained of MBGI in Santiago del Estero and Monte y Espinal.

Determination of the Balance of Emissions of Greenhouse Gases (GHG) of the REDD+ Strategy measures and proposal of a Monitoring, Reporting and Verification system (MRV). The following products were obtained: methodological proposal for the measurement and calculation of the balance of GHG emissions in the study sites for the restoration measures and recovery, and sustainable use; life cycle study of the 4 practices associated with mitigation measures and the establishment of the stages of the life cycle of each measure for the collection of data that contribute to the balance of emissions and the study of impacts of the processes associated with measures iv and v in the balance of emissions at the local level; Measurement progress report and calculation of the balance of GHG emissions in the study sites for the restoration measures and recovery, and sustainable management; document with the balance of GHG emissions of the 5 measures of mitigation of the REDD+ Strategy and proposal of Monitoring, Reporting and Verification Mechanisms of the REDD+ Strategy mitigation measures.

Economic valuation of the REDD+ Strategy mitigation measures, and quantification and characterization of producers for projects of sustainable management of native forests. The following products were obtained: Document containing the characterization of the producers in native forests; modeling and economic analysis of management measures sustainability of the REDD+ Strategy for the 5 forest regions; biomass utilization analysis for the forest basins of Machagai, Caimancito and Monte Quemado; assessment and analysis of unusual products from native forests (mountain honey, carob flour and yerba mate under leftovers); proposal for analysis of the marginal cost of GHG reduction for the management measures and estimation of economic resources necessary for the implementation of the management measures.

Consultancy for the Environmental and Socioeconomic Diagnosis of Forest Basins. The purpose of this consultation was the characterization of 15 basins containing: background on activities related to native forests; criteria and methodologies used to define the limits of the basins; maps; socioeconomic diagnosis; characterization and quantification of the current use of forest resources (goods and services); identification of productive potential and management spaces. From this work, there is systematized information on aspects social, economic and environmental in these basins, which serves as a basis to trigger or strengthen processes of shared management of the native forest, which involve the different actors who make direct or indirect use of it. In this way, it contributes to compliance of the mitigation measures proposed in the REDD+ Strategy.

Consultancy for assistance in the determination of organic carbon in forest soils Natives of Argentina. Its purpose was to quantify the organic carbon of the soil according to use (primary forest, silvopastoral or forest exploitation) and soil types in native forests of the 6 strategic forest regions; build a project in an information system (SIG) with information on the values of soil organic carbon combining the different uses of the forest (primary forest, silvopastoral or forest exploitation), types of soils, climatic, topographic and landscape variables and estimate the loss of carbon content organic soil against a change of land use (in relation to agriculture) in forests native to the Forest Regions.

Component 3: National Monitoring Systems for Forests and Safeguards

Subcomponents (i) Carry out the draft SESA and (ii) Prepare an ESMF Consultancy to support the development of the draft SESA, the draft ESMF and the FGRM of the REDD+ Strategy. An analysis of risks, impacts and social and environmental benefits that could derive from the formulation and implementation of the REDD+ Strategy was carried out, a validated design of an ESMF was obtained with the appropriate procedures to identify the specific risks and impacts, the set of prevention measures, reduction, mitigation, and/or compensation to address such identified social and environmental risks and impacts, as well as those measures that allow enhancing social and environmental benefits beyond the reduction of carbon emissions from the forestry sector, and a validated design was obtained for the FGRM to be integrated into the preparation and implementation stage of the REDD+ Strategy.

Also, in the last 2 years of the project, individual consultancy services were hired to work transversally to the components, generating products and assisting in the follow-up of the above-mentioned firm and individual consultancies. 1) Livestock Specialist 2) Social and Gender Assessment Specialist 3) Participatory Process Assistant 4) Sustainability Indicators Specialist 5) Remote Sensing and Geographic Information Systems Specialist.

EXECUTION

Bank project related to the grant

Project ID / Name: P120414 - Argentina FCPF REDD Readiness
Project Status: Lending
Global Focal Area: Climate change

Implementing agency and contact details

Agency:

Secretary of Environmental Policy in Natural Resources - Ministry of Environment and Sustainable Development of the Nation

Contact: Beatriz Domingorena, Secretary of Environmental Policy in Natural Resources

Address: Tucumán 633 -5° Piso - C.A.B.A - Argentina

Phone: +54 011 4348 8648

Email: bdomingorena@ambiente.gob.ar

Website:

<https://www.argentina.gob.ar/ambiente>

PROGRAM

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

The grant supported activities that were part of an integrated readiness preparation work plan laid out in Argentina's R-PP and represented a combined financial envelope of approximately \$12 million. The whole preparation work was supported by the GoA, the FCPF grant and the UN-REDD Program. As mentioned above, the UN-REDD Program had the financial and technical support of FAO, UNDP and UNEP. The program concluded in July 2019, and all REDD+ readiness activities were implemented by the GoA and FCPF with a complementary approach to the initial work performed by UN-REDD. Also, some activities of the implementation phase are currently being supported by FAO and the Green Climate Fund through the Results-Based Payment project.

As mentioned in previous sections, the UN-REDD Program elaborated Argentina's REDD+ Strategy. Among other, it financed the development of a toolbox on safeguards, and the National Forest (Emissions) Reference Level. Other products 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, and the technical support to the elaboration of the Second National Inventory of Native Forests.

The FCPF Readiness Project focused on strengthening the national institutional arrangements for REDD+, the development and implementation of the REDD+ Strategy and the preparation of the draft SESA. REDD+ Management arrangements have been strengthened through the establishment and functioning of Executive and Advisory Committees, which served for both FCPF Readiness Project and UN-RED Program implementation. Currently, the REDD+ Results-Based Payment project is using those structures as reference for the governance of its implementation.

The REDD+ Strategy was launched in 2017 after a participatory elaboration process supported by the UN-REDD Program. The FCPF Readiness Project has supported the process of its implementation by the generation of key information and mechanisms to enhance policy design, decision making, governance and monitoring of the strategic mitigation measures established in the REDD+ Strategy. Additionally, Readiness Preparation Activities financed or complemented by project activities have led to the approval of the REDD+ Results-Based Payment by the Green Climate Fund, as they have supported the public consultation and participatory process of the design of its Funding Proposal, which will help Argentina on the implementation of the REDD+ Strategy.

A draft SESA and a draft ESMF were prepared on a participatory manner. Also, a Feedback, Grievance and Redress mechanism proposal was elaborated. In order to do so, the FCPF integrated the initial environmental and social risks analysis developed by UN-REDD Program, identified gaps and information needed to complete the SESA process requirements, and consolidated a matrix of social and environmental risks, impacts and benefits that could result from REDD+ Strategy implementation. The above-mentioned toolbox on safeguards developed by the UN-REDD Program was integrated into the ESMF, as specific procedural instrument to address, avoid and mitigate potential REDD+ Strategy impacts. Additionally, these instruments served as a basis to the MAYS to fulfill the environmental and social safeguards required by the Green Climate Fund for the REDD+ Results-Based Payment Project design and current implementation.

During the FCPF Readiness Project implementation, the WB Task Team fostered coordination efforts between the REDD+ initiatives and the World Bank-financed Forests and Community Project (P132846), which supported complementary investments. Capacities strengthened by the FCPF Readiness Project were also complemented by the Forests and Community Project, which designed and

tested an investment model in community forest management that has become one of the main lines under implementation of the REDD+ Strategy through the Results-Based Payment Project.

In October 2021, Argentina submitted a new Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change. This new commitment implies a substantial increase in climate ambition, establishing an absolute goal applicable to all sectors of the economy for the year 2030, of not exceeding the net emission of 349 MtonCO₂e. This new goal is 27.7% lower than the one established in the first NDC presented in 2016. Due to the relevance of the emissions related to the sector, in which deforestation caused almost eight percent of Argentina's GHG total emissions in 2016, the REDD+ Strategy is a fundamental element to achieve the proposed goal. The products obtained in the framework of the FCPF Grant serve to generate tools for a better evaluation of the actions undertaken and the monitoring of progress in the fulfillment of the mentioned commitments.

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

The project was 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 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 PIU was strengthened throughout the project implementation. Although, as mentioned, the project went through changes of authorities and even government administration, the different areas of the PIU were strengthened with technical, financial management and procurement experts that gained experience on the REDD+ Strategy implementation that, during the FCPF Readiness Project implementation and even after its closing date, was used to complement REDD+ Strategy activities led by the MAyDS, as the UN-REDD+ Program, the REDD+ Results-Based Payment Project and the general implementation of the National Forests Law.

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?

A draft SESA was conducted in accordance with the FCPF Common Approach. It worth mentioning that, although both the draft SESA and the developed risk analysis consider the Cancun Safeguards and the World Bank Environmental and Social Framework Standards, the World Bank Safeguards Specialists considered that the draft SESA was insufficient mainly regarding risks identification and evaluation.

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

A draft ESMF was conducted in accordance with the FCPF Common Approach. It worth mentioning that, although the draft ESMF considers the Cancun Safeguards and the World Bank Environmental and Social Framework Standards, the World Bank Safeguards Specialists considered that the ESMF was insufficient mainly regarding risks identification and evaluation.

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. Among the participation actions and spaces for dialogue with key actors that were carried out, it can be highlighted the series of virtual dialogue workshops on risks and impacts, and social and environmental benefits that was carried out during COVID-19 circulation restrictions which represented a challenge, especially with regard to involving vulnerable groups at the local level (e.g. indigenous peoples, women, youth). Additionally, deeper consultation processes were carried out by the SESA consultancy. To ensure the representation of vulnerable groups, the SESA consultancy worked with territorial referents in different forest regions of the country. Despite the difficult conditions of the COVID-19 consultations, it was possible to involve more than 130 people from different places in the SESA consultations. A Participatory Process Facilitator Specialist and Social Impact and Gender Specialist worked in the PIU. SESA Workshop and consultations with indigenous peoples for the REDD+ Results-Based Payment project proposal were financed by the Grant.

COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

Proper coordination with relevant government areas and other REDD+ related initiatives is crucial so that investments build on an ongoing REDD+ path and that facilitates the REDD+ implementation phase.

The social sensitivities and expectations of the communities that are potential beneficiaries of the benefits from results-based payments should be taken into consideration from the early stages of any REDD+ Project, including ample, transparent, and open participatory processes. This would allow for reduced misinterpretations and/or potential conflicts that could arise, especially considering forestry is an especially sensitive issue in Argentina.

Direct and constant support from the PIU's central safeguards staff through training and site visits is necessary to guide staff on the ground. Training of local staff and monitoring the correct implementation of the ESMF in several projects in parallel from a central office can be difficult, especially when a variety of activities will be implemented.

Further interinstitutional coordination is required to guarantee the sustainability of the grant-financed activities and to maximize the impact and reach of activities related to REDD+.

Overall outcome (and its Sustainability):

Comment:

The REDD+ Readiness grants successfully contributed to the implementation of all the supporting tools required for complying with safeguards (including the FGRM), MRV (including the FREL), and Monitoring and Evaluation of the REDD+ activities.

Through the grant financed activities, REDD+ gained attention from different decision-makers. In the preparation process, several documents were prepared to carry out an analysis and evaluation of land use and factors of change. They have been considered relevant for understanding these dynamics, as well as their implications for governance and forest and environmental policy at the national level.

The outcomes of the consultancies will be sustained directly through national resources channeled through the new Green Climate Fund and will be supported by trained personnel and detailed technical guidance produced for long-term implementation. Moreover, the Country has committed to continued REDD+ efforts through its NDCs. Within the framework of the REDD+ Strategy construction, Strategic Line 2 of research mentions as result 5 Reproductive material of good genetic quality available for the different restoration, afforestation and reforestation programs that need to be implemented within the framework of REDD+ Strategy. In other words, activities that contribute to conserving or improving livelihoods. Outcomes were also relevant to support the preparation of a new investment lending operation with the MAYS (Sustainable Recovery of Landscapes and Livelihoods, P175669); to technically inform its design in terms of the climate benefits of the recovery investments.

Finally through the grant financed activities, it was possible to strengthen the capacities to implement REDD+, and its sustainability lies in the implementation of the GCF project, and in general of the Native Forest Protection Program, within the framework of the 26,331.

Bank Performance:

Comment:

The overall Bank Performance is deemed Satisfactory, based on quality at entry, Project supervision, and resource mobilization. Regular supervision missions were organized and documented (Aide-Memoires), however, these were held virtually for 2020 and 2021 as per WB's guidelines for the COVID-19 pandemic. Non-Objections were provided to the client under reasonable timeframes, and regular reporting was done to the Bank and donors. The Bank team provided close support and detailed technical advice throughout the implementation of the grant financed activities, including accelerated revision of documents to support the Country in adhering to the compromised deadlines.

Additional Assessment

Development / strengthening of institutions:

Comment:

The capacity of key institutions involved in the implementation of the Project has been significantly improved through the Grant financed activities. During implementation, the successive specialists in Procurement and Financial Management who passed

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through the project as a consequence of two changes of government were trained. These have now the capacities to continue implementing the REDD+ activities even after the grant.

Knowledge exchange:

Comment:

Knowledge exchange activities were limited due to the COVID-19 crisis. However, Argentina participated at the 25th Conference of the Parties (CoP) of the United Nations Framework Convention on Climate Change (UNFCCC) in Madrid, 2019.

Client's policy / program implementation:

Comment:

The preparation stage has been important in identifying institutional strengths and weaknesses. In this sense, work has been done to strengthen this institutional framework, which will favor the REDD + implementation framework.

The basis for the management arrangements is specified for the preparation stage and is unchanged, therefore it is considered completed within the framework of the FCPF support. It is expected that for the implementation stage the institutional arrangements will be maintained and strengthened.

Efficiency:

Comment:

Outcomes planned at the onset have been achieved, in a timely manner, and the grant activities were implemented as planned; consequently, efficiency is rated satisfactory overall. However, efficiency performance was affected by the COVID-19 crisis and internal managerial changes within PIU. This resulted in three extensions (original closing date April 17, 2019, first extension of 14 months in 2019 until June 30th, 2020, a second extension of 8 months in 2020 until February 17th, 2021 and third extension of 10 months in 2021 until December 31st, 2021), which allowed for the activities to be completed.

Replicability:

Comment:

Grant financed activities resulted in nationwide and cross-cutting tools, guidelines, and procedures that are already being implemented for REDD+ activities within the Country and will be used for future activities and agreements. With the Argentina REDD + Readiness Project completed, we can observe how the FCPF made it possible for Argentina to join the global REDD + community and continue to actively contribute to global climate action. The country hopes to continue with the different stages of REDD + in Argentina, mainly with the implementation of REDD + actions in the territory. To do this, everything achieved during this preparation stage, with the support of the FCPF, will be a fundamental input on which the country will undoubtedly continue to build.

Main recommendations to stakeholders:

For future projects, it is recommended to assign a dedicated Project Implementation Unit to ensure the timely and adequate implementation of activities. This is important given that, during the last stage of implementation of the grant activities, the Project Implementation Unit was shared among different projects, constraining the pace, focus, and precision of technical activities, including safeguards, and fiduciary aspects.

Coordination with staff requires further support from the central offices, potentially including a centralized focal point for administrative matters (financial and procurement), and increased support for safeguards implementation. This is especially relevant for providing constant support and surveillance from central safeguards staff through training and site visits.

It is recommended to continue engaging with potential beneficiaries and stakeholders during the implementation. This could be achieved through the implementation and strengthening of the Communications Strategy, promoting inclusion, participation, and sensitization of communities and farmers, and by offering instances for beneficiaries to be informed about opportunities and progress. By doing this, beneficiaries could own and champion the implementation of REDD+ activities.

Main recommendations to Bank Management:

The preparation activities of a related results-based payment operation is a highly technical and sensitive process that requires substantial time and funding dedicated to the Country, a more efficient use of available resources, and strong support from the World Bank and the corresponding financing Program (i.e. FCPF), given the timeframes involved and the need for specialized skill sets.

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	885,181.73	85,365.90
01/01/2020	06/30/2020	0.00	0.00	1,228,446.47	343,264.74
07/01/2020	12/31/2020	0.00	0.00	1,413,099.45	184,652.98
01/01/2021	06/30/2021	0.00	0.00	2,154,205.03	741,105.58
07/01/2021	12/31/2021	0.00	0.00	2,935,676.91	781,471.88
01/01/2022	7/25/2022	0.00	0.00	2,935,478.91	-198