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Report No: PAD4395

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US$45 MILLION

AND A

PROPOSED GRANT

IN THE AMOUNT OF US$12 MILLION

FROM PROGREEN MULTI-DONOR TRUST FUND

TO THE

ARGENTINE REPUBLIC

FOR A

SUSTAINABLE RECOVERY OF LANDSCAPES AND LIVELIHOODS IN ARGENTINA PROJECT

January 26, 2022

Environment, Natural Resources, and the Blue Economy
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective January 10, 2022)

Currency Unit =	Argentine Peso (ARS)
ARS103.09 =	US$1
US$0.0097 =	ARS1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Carlos Felipe Jaramillo
Country Director:	Jordan Z. Schwartz
Regional Director:	Anna Wellenstein
Practice Manager:	Valerie Hickey
Task Team Leader(s):	Pablo Francisco Herrera, Gabriela Encalada Romero, Tomas Ricardo Rosada Villamar

ABBREVIATIONS AND ACRONYMS

APN	National Park Administration (*Administración de Parques Nacionales*)
ARS	Argentine Peso (ARS)
BNA	National Argentinian Bank (*Banco de la Nación Argentina*)
CDD	Community Driven Development
CGP	General Project Coordination (*Coordinación General de Proyecto*)
CONICET	National Council for Scientific and Technical Research (*Consejo Nacional de Investigaciones Científicas y Técnicas*)
CPF	Country Partnership Framework
DA	Designated Account
DGA	General Administration Directorate (*Dirección General de Administración*)
DNC	National Conservation Directorate (*Dirección Nacional de Conservación*)
E&S	Environmental & Social
EIRR	Economic Internal Rate of Return
ERR	Economic Rate of Return
ESA	Environmental and Social Assessment
e-SIDIF	Integrated Financial Information System *(Sistema Integrado de Información Financiera)*
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
FAO	Food and Agriculture Organization
FIRR	Financial Internal Rate of Return
FM	Financial Management
GDP	Gross Domestic Product
GHG	Greenhouse gases
GIS	Geographic Information Systems
GRID	Green, Resilient, and Inclusive Development
GRS	Grievance Redress Service
Ha	Hectare
HPC	High Price of Carbon
IAU	Internal Audit Units
IBRD	International Bank for Reconstruction and Development
IFR	Interim Financial Report
ILM	Integrated landscape management
IT	Information technology
LPC	Low Price of Carbon

M&E	Monitoring and Evaluation
MAS	Market Access Subproject
MAyDS	Ministry of Environment and Sustainable Development of Argentina (*Ministerio de Ambiente y Desarrollo Sostenible*)
MMGyD	Ministry of Women, Gender and Diversity (*Ministerio de la Mujer, Género y Diversidad)*
MSA	Mean species abundance
NGO	Non-governmental Organization
NPV	Net Present Value
PA	Protected Area
PDO	Project Development Objective
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
R&D	Research and development
SAE	Secretariat of Strategic Affairs from Argentina's presidential office (*Secretaría de Asuntos Estratégicos*)
SDG	Sustainable Development Goals
SEP	Stakeholder Engagement Plan
SIE	Subproject Implementing Entity
SIGEN	General Syndicate of the Nation (*Sindicatura General de la Nación*)
SLM	Sustainable Landscape Management
SOE	Statement of Expenditures
SUS	Sustainable Use Subprojects
tCO2e	tons of carbon dioxide equivalent
ToR	Terms of Reference
UEPEX	External Financing Information System (*Unidades Ejecutoras de Prestamos Externos*)
US$	United States Dollars
VCS	Value Chain Development Subprojects
WB	World Bank
WBG	World Bank Group

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Argentina	Sustainable Recovery of Landscapes and Livelihoods in Argentina Project	
Project ID	**Financing Instrument**	**Environmental and Social Risk Classification**
P175669	Investment Project Financing	Substantial

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[ ] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[ ] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
24-Feb-2022	31-May-2027

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To improve the management and resilience of ecosystems and related livelihoods of local communities in selected conservation and production landscapes and seascapes

Components

Component Name	Cost (US$, millions)

Component 1: Improved Climate Resilience and Management of Selected Conservation and Production Landscapes and Seascapes	40.72
Component 2: Promoting Sustainable Livelihoods Across Selected Landscapes	13.97
Component 3: Project Management, Monitoring, Evaluation	5.31

Organizations

Borrower:	Argentine Republic
Implementing Agency:	Administracion de Parques Nacionales

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	60.00
Total Financing	60.00
of which IBRD/IDA	45.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	45.00

Non-World Bank Group Financing

Counterpart Funding	3.00
National Government	3.00
Trust Funds	12.00
Miscellaneous 1	12.00

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2022	2023	2024	2025	2026	2027
Annual	0.43	9.97	17.45	10.31	5.28	1.56

Cumulative	0.43	10.40	27.85	38.16	43.44	45.00

INSTITUTIONAL DATA

Practice Area (Lead)

Environment, Natural Resources & the Blue Economy

Contributing Practice Areas

Agriculture and Food, Gender, Social Protection & Jobs, Urban, Resilience and Land

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Moderate
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Substantial
8. Stakeholders	Moderate
9. Other	
10. Overall	Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Section I. C of Schedule 2 to the Loan Agreement/Grant Agreement. Inter-institutional Agreements. For purposes of enabling the Participating Institution to provide support to APN for the carrying out of marine research campaigns and related activities under Part 1.1 of the Project, and prior to the carry out of any activity by the Participating Institution under the Project, the Borrower/Recipient, through MAyDS, shall cause APN, enter into Interinstitutional Agreement with the Participating Institution, under terms and conditions acceptable to the Bank.

Section I. D. of Schedule 2 to the Loan Agreement/Grant Agreement. Community Driven Development Subprojects and Applied Research Subprojects. For the purposes of carrying out a Community Driven Development Subproject

under Part 2.1 of the Project, or an Applied Research Subproject under Part 1.2. of the Project (the "Subprojects"), the Borrower/Recipient, through MAyDS, shall cause APN to, prior to the carrying out of any given Subproject, transfer, on a grant basis, part of the proceeds of the Loan to the corresponding Subproject Implementing Entity, pursuant to the terms of the Subproject Agreement to be entered between APN and the pertinent Subproject Implementing Entity, under terms and conditions acceptable to the Bank.

Conditions

Type	Financing source	Description
Effectiveness	Trust Funds, IBRD/IDA	Article V, Section 5.01 (a) of the Loan Agreement./ Article IV, Section 4.01 (a) of the Grant Agreement. The Project Operational Manual has been adopted by APN, in a manner acceptable to the Bank.
Type	Financing source	Description
Effectiveness	Trust Funds, IBRD/IDA	Article V, Section 5.01 (b) of the Loan Agreement / Article IV, Section 4.01 (b)of the Grant Agreement. The Subsidiary Agreement has been signed by the Borrower, through MAyDS, and APN, in a manner acceptable to the Bank.
Type	Financing source	Description
Effectiveness	Trust Funds, IBRD/IDA	Article V Section 5.01 (c) of the Loan Agreement.)/ Article IV, Section 4.01 (c) of the Grant Agreement. The key staff referred to in Section I.A. of Schedule 2 to the Loan Agreement/Grant Agreement has been appointed under terms of reference and in a manner acceptable to the Bank.
Type	Financing source	Description
Effectiveness	Trust Funds, IBRD/IDA	Article V, Section 5.01 (d) of the Loan Agreement. / Article IV, Section 4.01 (d) of the Grant Agreement. The Environmental and Social Instruments have been prepared, consulted upon, disclosed and adopted in form and substance satisfactory to the Bank.
Type	Financing source	Description
Effectiveness	Trust Funds, IBRD/IDA	Article V, Section 5.01 (e) of the Loan Agreement / Article IV, Section 4.01 (e) of the Grant Agreement. The PROGREEN Grant Agreement has been signed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of the Loan Agreement) have been fulfilled/The Loan Agreement has been signed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of the PROGREEN Grant Agreement) have been fulfilled.

Type	Financing source	Description
Disbursement	IBRD/IDA	Section III. B.1 (a) of Schedule 2 to the Loan Agreement. No withdrawal shall be made for payments made prior to the Loan Agreement Signature Date, except that withdrawals up to an aggregate amount not to exceed US$ 9,000,000 may be made for payments made prior to the Loan Agreement Signature Date but on or after June 30, 2021 (but in no case more than one year prior to the Signature Date), for Eligible Expenditures if the pertinent conditions set forth in the Loan Agreement, as applicable to each Eligible Expenditure have been complied with.
Type	Financing source	Description
Disbursement	IBRD/IDA	Section III. B.1 (b) of Schedule 2 to the Loan Agreement. No withdrawal shall be made for Category (5) unless the Scholarships Manual has been adopted by APN in a manner acceptable to the Bank.
Type	Financing source	Description
Disbursement	Trust Funds	Section III. B.1 (b) of Schedule 2 to the Grant Agreement. No withdrawal shall be made for Eligible Expenditures already paid under the Loan Agreement.
Type	Financing source	Description
Disbursement	IBRD/IDA	Section III. B.1 (c) of Schedule 2 to the Loan Agreement. No withdrawal shall be made for Eligible Expenditures already paid under the PROGREEN Grant Agreement.
Type	Financing source	Description
Disbursement	Trust Funds	Section III. B.1 (a) of Schedule 2 to the Grant Agreement. No withdrawal shall be made for payments made prior to the Grant Agreement Signature Date.

I. STRATEGIC CONTEXT

A. Country Context[1]

1. **Argentina has a historically large and strong middle-income class, with social indicators that are in general above the regional average;** however, persistent social inequalities, volatility of economic growth and underinvestment have limited the country's development. Urban poverty in Argentina reached 40.6 percent of the population in the first semester of 2021, and 10.7 percent of Argentines live in extreme poverty. Childhood poverty, for children under 14 years old, is at 54.3 percent. In the metropolitan area of Buenos Aires, the high vulnerability of low- income population can be illustrated by its crowded living conditions and high dependence on informal economicactivities. Decades of chronically low investment have led to sizeable gaps in capital stock vis-à-vis other countries, with public capital expenditures as a share of Gross Domestic Product (GDP) at historically low levels, despite a slight increase in 2021.

2. **The country's economy is vulnerable[2] to a variety of climate stressors and extreme weather events. Argentina's varied geophysical landscapes are exposed to different climate change effects.** It ranks 75 in vulnerability and 107 in preparedness for climate change according to the ND-GAIN Country Index.[3] Climate-related natural hazards resulted in over United States dollars (US$) 4 billion in losses since 2006.[4] Important economic and wealth-related losses from flooding (US$22.500 million since 1980) and droughts (reducing up to 2.5 percent of the country's yearly economic production) continue to increase. In the future, floods are expected to cause economic losses of US$700 million every year and can potentially affect 14.2 million people.[4] The rural poor whose livelihood choices are limited and highly dependent on natural resources are disproportionately vulnerable to risks associated with expected climate change impacts. The expected decreasing crop yields and reduced access to drinking water due to climate change are likely negatively affect the health of poor people and pose a real threat to food security, pushing them even further into poverty.

3. **The Coronavirus Disease of 2019 (COVID-19) outbreak hit Argentina at a time when its economy faced significant macroeconomic imbalances and a highly uncertain outlook**. Following a two-year recession, high inflation, and lack of access to capital markets, the COVID-19 outbreak led to the implementation of a strict lockdown to contain the spread of the pandemic while preparing the health care system. This situation implies one of the biggest global economic crises in recent time and triggered in Argentina a GDP loss of 9.9 percentage points in 2020, the largest retraction since 2002. The implementation of a fiscal stimulus package to support families and firms – equivalent to 6.5 percent of GDP[2] – in 2020. In a context of restricted market access, financing the response to the COVID-19 shock required an important monetization of the deficit. This has exacerbated macroeconomic imbalances, notably by exerting pressures on reserves and on the persistent large gap between the official and parallel exchange rates.

4. **The economy has started to recover building on the broad reach of the vaccination campaign and the targeted fiscal support that was maintained during 2021, surpassed pre-pandemic levels (February 2020) by 2.1 percent in October 2021, thoughin a very heterogeneous manner across economic sectors. According to the national authority projections, Argentina's GDP is expected to grow at least 8 percent in 2021 and 4 percent in 2022.** Economic recovery has gradually picked up as containment measures have been progressively lifted, building

[1] Source for estimates and projections in this section (unless otherwise stated): INDEC National Income Accounts and World Bank staff calculations.

2 For the purpose of this Project, vulnerability will be addressed as vulnerability to climate change unless otherwise stated.

3 https://gain.nd.edu/our-work/country-index/

4 World Bank Group. 2021. Climate Risk Profile: Argentina (2021). The World Bank Group, 2021.

on the economy's ample idle capacity.Uncertainty as well as price and capital controls could put a lid on the strong investment growth that occurred during the first stages of the economic recovery, however, according to the strategy of the Ministry of Economy, the fiscal deficit reduction is expected to be gradual, in order to maintain demand stimulus and support for vulnerable sectors. A reduction in the primary fiscal deficit is materializing in 2021, due to: the unwinding of emergency programs implemented to fight the pandemic; to extraordinary resources stemming from the increase in commodity prices and an exceptional tax on large fortunes. Nonetheless, the economy continues to display large unresolved macroeconomic imbalances. Annual inflation stood at 51.2 percent in November 2021 and the gap between the official and alternative exchange rates are close to 100 percent.

5. **Regarding external debt, the Government successfully restructured the sovereign debt denominated in foreign currency held by private creditors in 2020.** The restructuring was agreed by creditors holding 99 percent of the bonds under external and domestic law. The swap significantly improved Argentina´s maturity profile for the next five-to-eight years, but debt service obligations are going to increase after 2028. Authorities are holding conversations with the International Monetary Fund on a successor program to refinance debt owed to this institution and will later have to negotiate with Paris Club member outstanding debt.

6. **Despite the early and strict lockdown measures during 2020, the health impact of COVID-19 in Argentina has been severe**.The country ranks second in the region and ninth in the world in the number of confirmed total cases. As of November 5th, 2021, the country accounts for more than 5.3 million cases and almost 116,000 cumulative deaths. In April 2021, the country experienced the beginning of a second wave with an average of more than 20,000 new cases per day-with a peak of 41,000 daily cases by the end of May 2021, putting the country's health system undermajor stress with the intensive care unit occupancy rate reaching a peak of 79 percent nationwide on June 9, 2021. By January 10, more than 87 percent of the population have received one dose of COVID-19 vaccine, 75 percent of the population are fully vaccinated, and 14 percent have already received a booster shot. After a smooth semester, Argentina entered a third wave of the pandemic. In December 2021, cases have increased exponentially from 1,500 to 35,000 cases by the end of the month, based on a seven-day moving average. On January 4th, 2022, cases reached the highest number since March 2020 with more than 80.000 confirmed positive and positivity tests increased from less than 5 to 50 percent in a month. Luckily, the number of cases so far have not translated into a sharp increase of hospitalization rates. Currently, hospital bed occupancy are around 35 percent nationwide.

B. Sectoral and Institutional Context

7. **Argentina's abundant natural capital supports the development of the agriculture, forestry, fishery and tourism sectors, which account for 15 percent of national GDP and nearly 20 percent of total employment.**[5,6] Agriculture, forestry and fishing accounted for five percent of the GDP in 2018, of which 40 percent is estimated to be from soy, wheat and maize production; 14 percent from livestock production; and two percent from the

[5] World Bank Group. 2020. World Bank Database: *https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=ARG* [Accessed: October 2020].

[6] Cámara Argentina de Turismo (CAT). 2019. La industria de viajes y turismo creció por encima del PBI global en 2018 según el informe de la WTTC. Available at: *http://www.camaradeturismo.org.ar/section/noticias/la-industria-de-viajes-y-turismo-crecio-por-encima-del-pbi-global-en-2018-segun-el-informe-de-la-wttc* [Accessed: June 2019].

forestry value chain.[7,8] The agri-food value chains in these sectors employed approximately 1.9 million people in 2015, which accounted for 10 percent of total employment in Argentina, however, almost 60 percent of the agri-food jobs are informal,[9] and 75 percent of Argentina's farms are "family farms", which account for 18 percent of the country's agricultural land and producing 27 percent of total agricultural output.[10] Tourism is the largest market-based contributor to the financing of Protected Areas (PAs) and usually generates jobs in local communities,[11] although it depends heavily on accessibility and infrastructure for attracting tourists.[12]

8. **Wealth and access to basic services are unevenly distributed regionally and socially, with indigenous peoples being one of the largest and most vulnerable groups of rural poor.** The rural population accounted for nine percent of the total population in the last national census (3.6 million people) and one third of this group was poor.[13] Up to one third of the population living in the northern provinces of the country have their basic needs unmet, which is one of the main reasons why people migrate to urban areas. The average income per inhabitant in the northern provinces is 40 percent lower than the national average.[14] Unsatisfied basic needs of indigenous households almost duplicate the national average. Gender violence and pandemic-related measures regarding that limit access to food, education, and employment, have particularly affected rural women.[15]

9. **Climate change is threatening provision of ecosystem services underpinning such economic activities, posing additional challenges to recovery from the COVID-19 crisis,[16] and vulnerable people are most at risk.** Argentina is increasingly exposed to climate-driven natural hazards such as flooding, water scarcity, extreme heatwaves, wildfires and extreme precipitation events, which are expected to continue increasing in intensity and frequency. For example, fires extended over 1.15 million hectares (ha) during the first half of 2020,[17] destroying forests, rangelands, and infrastructure that local communities depend upon. Floods have affected subtropical regions of the country, resulting in economic losses of up to 95 percent in affected areas.[18] Climate change is already affecting provision of ecosystem services such as the availability of freshwater, as well as the economic activities that require them, such as agriculture, fisheries, and tourism. For example, the latest drought events, intensified by La Niña during 2020 and early 2021, have caused the death of between 30 to 60 percent of livestock of small family producers.[19] Future climate changes will affect national parks as tourist destinations and a key source of income for neighbouring communities. Floods and mudslides weaken transportation and tourism infrastructure, and road closures impede access to destinations, particularly those that are most isolated.

[7] MPyT. 2018. Cadenas de valor agroalimentarias: evolución y cambios estructurales en el siglo XXI / Agustín Lódola ... [et al.]. -1a ed adaptada. Ministerio de Producción y Trabajo de la Nación, 2018.
[8] World Bank Group. 2018. Argentina: Escaping crises, sustaining growth, sharing prosperity. World Bank, Washington, DC. World Bank.
[9] BCR. 2019. Bolsa de Comercio de Rosario. Calzada J., Treboux J. Importancia económica del sector agropecuario y agroindustrial en la República Argentina. October 2019. Available at: *https://www.bcr.com.ar/es/mercados/investigacion-y-desarrollo/informativo-semanal/noticias-informativo-semanal/importancia*
[10] FAO, 2021. FAO Agricultural Watch, 2021. Available at: http://www.fao.org/world-agriculture-watch/our-program/arg/en/
[11] For the purpose of this Project, local communities will be defined as "*rural population that directly benefits from the natural resources offered in the landscape*", and the landscape is the area defined by the Project as "selected landscape" for each intervention.
[12] World Bank Group. 2021. World Bank Data:
https://datos.bancomundial.org/indicator/NY.GDP.MKTP.KD?locations=AR&most_recent_value_desc=true
[13] World Bank Group. 2010. "The Invisible Poor. A Portrait of Rural Poverty in Argentina", World Bank, 2010.
[14] UNO, 2020. United Nations Country Analysis: Argentina 2020.
[15] Bidaseca, Aragão, Brighenti, Ruggero. 2020. Diagnóstico de la situación de las mujeres rurales y urbanas, y disidencias en el contexto de COVID-19. Ministerio de Ciencia, Tecnología e Innovación, CONICET y Ministerio de las Mujeres, Géneros y Diversidad.
[16] Project's Climate Risk Screening. World Bank Climate and Disaster Risk Screening Tool. Performed in January 2021.
[17] 2020. Ministry of Environment and Sustainable Development. 2020. Fire Management Report of October 13th. 2020
[18] World Bank Group. 2021. Climate Risk Profile: Argentina (2021). The World Bank Group, 2021.
[19] Agrofy News. 2020. Recorte para el trigo por la sequía y las heladas: "El impacto en el rinde es dramático". [Accesed November 2020]: https://news.agrofy.com.ar/noticia/189895/recorte-trigo-sequia-y-heladas-impacto-rinde-es-dramatico

Strengthening management of PAs is important not only to mitigate effects of climate change and their ecological value, but also to improve the livelihoods of rural populations and increase their climate resilience.

10. **The COVID-19 crisis had particularly affected natural resource dependent sectors.** Revenues from agricultural, livestock and forestry sectors were 10.6 percent lower in the second quarter of 2020 compared to the same period in the previous year, and 3.9 percent lower in the second quarter of 2021 than in the same period in 2020.[20] Fishing sector revenues also declined of 14 percent from 2019 to 2020, although the latest official reports show that, in the second quarter of 2021, the sector revenues were 28.2 percent higher than during the same period 2020. Bans on domestic and international travel during the lockdown severely affected the tourism sector, part of which also relies on natural resources; and 93.4 percent fewer tourists visited PAs in the second quarter of 2021 than during the same period the previous year, with the only visitors being Argentine resident.[21] This will likely have an adverse impact on PA management and conservation finance.[22] In parallel, deforestation persisted during the COVID-19 outbreak, mainly for soy and livestock production.

11. **Although natural resources are the basis of Argentina's socio-economic development, climate informed planning and environmental enforcement are lacking at the landscape level, leading to rapid degradation of natural capital, with deleterious consequences for biodiversity and provision of ecosystem services, which in turn reduces resilience of local communities.** Argentina is ranked 15 in terms of estimated number of globally important endangered species that inhabit its territory, with habitat loss; degradation and fragmentation; illegal hunting and fishing; invasive exotic species; pollution and climate change[23] being the main threats.[24,25] Between 2000 and 2013, unsustainable agricultural and livestock practices caused a 26 percent drop in the terrestrial ecosystem services provision index,[26] and between 2001 and 2019, Argentina lost 15 percent of its forest cover because of rapid expansion of cropland (mainly for soy production), often pushing unsustainable pasture production into forests and other higher-value biomes.[27,28] Deforestation for livestock and agricultural production has caused almost eight percent[29] of Argentina's Greenhouse Gas (GHG) emissions.

12. **Lack of Sustainable Landscape Management (SLM) approaches in many rural areas of the country reduces the local capacity to adapt and absorb climate and other shocks and restricts opportunities for socioeconomic recovery.** Argentina's landscapes are lacking (i) landscape level planning; (ii) infrastructure, capacity and data to secure the protection of key parts of landscapes and their ecosystem services (e.g., water quality and quantity,

[20] INDEC. 2021. Activity Level Progress Report. Fourth Trimester of 2020.
[21] Ministerio de Turismo y Deportes. 2020. Turismo de Naturaleza. Dirección Nacional de Mercados y Estadística.
[22] World Bank Group. 2021. World Bank Data:
https://datos.bancomundial.org/indicator/NY.GDP.MKTP.KD?locations=AR&most_recent_value_desc=true
[23] SAyDS. 2010. Secretaría de Ambiente y Desarrollo Sustentable de la Nación. 2010. Convenio sobre Diversidad Biológica-Cuarto Informe Nacional.
[24] SAyDS, 2019. Informe Nacional Ambiente y Áreas Protegidas de la Argentina. 2008-2018.Available at:
https://www.argentina.gob.ar/sites/default/files/informe_ambiente_y_ap_final.pdf
[25] Fundación Vida Silvestre Argentina (FVSA). 2016. La Salud de Nuestra Tierra. Monitoreo de servicios ecosistémicos para un diagnóstico sobre la salud ambiental de la Argentina.
[26] Global Forest Watch (GFW). 2020. Available at: globalforestwatch.org/dashboards/country/ARG. [Accessed: July 2020].
[27] World Bank Group. 2018. Argentina: Escaping crises, sustaining growth, sharing prosperity. World Bank, Washington, DC. World Bank.
[28] World Bank Group. 2016. Country Environmental Analysis: Argentina. Global Practice Environment and Natural Resources Regional Office of Latin America and the Caribbean. Report N° 11996. May 2016. Second Edition. Series of technical reports of the World Bank in Argentina, Paraguay and Uruguay, N° 9, 2016.
[29] SAyDS. 2019. Secretaría de Ambiente y Desarrollo Sustentable de la Nación. 2019. Tercer Informe Bienal de Actualización de la República Argentina a la Convención Marco de las Naciones Unidas sobre el Cambio Climático. / Secretariat of Environment and Sustainable Development of Argentina. 2019. Third Biannual Report of the Republic of Argentina to the United Nations Framework Convention on Climate Change.

carbon sequestration) and increase tourism revenues; and (iii) direct support to livelihood growth and resilience.

13. **In rural areas, there is an asymmetric relationship between men and women in terms of income, employment opportunities, and access to benefits (See Annex 5 for more details on key gender gaps).** There is a 29 percent earnings gap between women and men calculated from relative average salaries, which increases to 35.6 percent for informal workers.[30] Lack of employment opportunities for rural women in highly mechanized production systems has concentrated the greatest female participation in agriculture in peasant and indigenous family farming, making them increasingly vulnerable to climate change. Women receive scarce monetary benefits in rural areas because they are linked to few or no commercialized products[31]. In addition, women in rural areas work 14 hours more than men a week when considering unpaid care activities. Political vulnerability related to their low level of participation in decision-making roles also affects rural activities. Nevertheless, women play an important role in family driven agriculture because they are mainly responsible for rearing small farm animals (goats, pigs, sheep, poultry), managing orchards, producing handicrafts, harvesting forest fruits, cheese production, and caring for children.[32]

14. **The country has selected 13 landscapes and seascapes that are critically vulnerable to climate change for implementing the Project (see Project Area Maps in Annex 6).** The selected landscapes are (a) Yungas Landscape; (b) Prepuna and Monte Transitional Landscape; (c) Chaco Seco Biodiverse Corridor; (d) Paranaense Rainforest Corridor; (e) Aconquija Landscape; (f) Monte de Sierras and Bolsones Landscape; (g) Chaco Arido Corridor Landscape; (h) Parana River Delta; (i) Northern Patagonia Andean Landscape; (j) Blue Patagonia Corridor; (k) Glacier Landscape; (l) Subantarctic Forests; (m) Southern Ocean Marine Landscape. Landscapes were selected in relation to aggregated impacts of climate-related hazards (e.g., droughts, floods) and vulnerability of local ecosystems and/or populations to climate stressors. These landscapes are subject to degradation from land-use change and are especially vulnerable to climate change and extreme weather events. The Project area covers 29.4 million ha, including 20 million ha of land and 9.4 million ha of marine ecosystems, of which least 12.3 million hectares are classified under various categories of PAs (Categories I to VI of the International Union for the Conservation of Nature - IUCN). Approximately 10.4 million ha of productive lands are located within the selected landscapes (including forests, agricultural production, bush, and pastureland). PROGREEN will co-finance a minor share of the costs of investments and activities required to achieve Project results only in the subtropical forest of northern Argentina within the Yungas and Gran Chaco ecoregions (The largest share of such costs will be co-financed with sources other than PROGREEN; mostly the World Bank (WB) and private sector).

15. **The Organization for Economic Co-operation and Development (OECD)'s approach to support resilience of ecosystems in selected landscapes and seascapes through SLM is used as a reference.**[33] The Project will build on specific capacities that will help increase the resilience of ecosystems through SLM. Project activities (land use planning, habitats conservation, governance strengthening, resilient infrastructure construction, sustainable natural resources use subprojects, among others) will focus on enhancing the adaptive capacities[34] and the

[30] Ministerio de Economía. Dirección Nacional de Economía, Igualdad y Género (2020): "*Las brechas de género en la Argentina. Estado de situación y desafíos*". Recuperado de: https://argentina.gob.ar/sites/default/files/las_brechas_de_genero_en_la_argentina_0.pdf
[31] Ferro, S. 2013. "Género y propiedad rural". UCAR 2013.
[32] Dallmann, Ingrid and Perge, Emilie. 2019. Forests and Poverty in the Chaco Ecoregion – Argentina. Descriptive and Quantitative Study.
[33] OECD (Organization for Economic Co-operation and Development). 2014. Guidelines for Resilience Systems Analysis: How to Analyze Risk and Build a Roadmap to Resilience. OECD, Paris, France.
[34] The ability of people, assets, and systems to adjust, modify or change characteristics and actions to moderate potential future impacts from hazards, including climate related ones, so as to continue to function without major qualitative changes, for example through diversity, redundancy, integration, connectedness, and/or flexibility.

absorptive capacities[35] of ecosystems in the selected conservation and production landscapes and seascapes.

C. Relevance to Higher Level Objectives

16. **The Project is aligned with the Country Partnership Framework (CPF) FY19-22 for Argentina (Report No. 131971–AR), discussed by the Board of Executive Directors on April 25, 2019, the World Bank Group (WBG) Climate Change Action Plan[36] and Gender Strategy.[37]** The Project is consistent with Argentina's CPF objective of "Making the rural economy more climate smart" by financing low-carbon and low-environmental impact production and construction technologies, and promoting better management of natural carbon stocks and sinks. The Project also addresses the Bank's climate change plan by reducing emissions from deforestation and degradation of ecosystems and integration of climate risks and vulnerabilities into management of landscapes' and seascapes' for enhanced adaptation and resilience.

17. **The Project will contribute to climate change adaptation and mitigation goals in alignment with the Paris Agreement, the Sustainable Development Goals (SDGs) and other international commitments**. The Project contributes to Argentina's international commitments through its Nationally Determined Contribution (NDC), submitted to the United Nations Framework Convention on Climate Change (UNFCCC), and Convention to Combat Desertification and Land Degradation (UNCCD). National-scale policies will be strengthened and promoted, for example the National Plan on Adaptation and Mitigation of Climate Change, and, in particular, the National Action Plan on Forest and Climate Change and the National Action Plan on Agriculture and Climate Change. It also supports Argentina´s National Biodiversity Strategy and Action Plan for the Federal PAs System.

18. **The Project will contribute to the three dimensions of the WBG Green, Resilient, and Inclusive Development (GRID) approach.[38]** Project investments will focus on agricultural and food systems and on energy (renewable energy and energy efficiency) as part of the Green component; support risk management of climate-related natural hazards and other socioeconomic and financial shocks in rural areas, as part of the Resilient component; and, provide targeted support for communities most vulnerable to climate change, women, and indigenous peoples. The project will enhance Argentina's institutional capacities on landscape and seascape-use planning and management; low-carbon, energy-efficient and resilient infrastructure construction; and environmentally friendly food production and supply to contribute to a more resilient and inclusive recovery.

19. **The Project will also support PROGREEN´s goal of maintaining and improving ecosystem services in resilient production and conservation landscapes, particularly in the subtropical forest of northern Argentina, namely the Gran Chaco and Yungas ecoregions.** The Project will support Pillar 1 "Management of Terrestrial Ecosystems" and Pillar 2 "Management of Land Use Changes from Agriculture," as well as the cross-cutting issues related to engaging communities and vulnerable groups, addressing climate change mitigation and resilience needs and leveraging and mobilizing finance for development.

20. **Project interventions will support post-2020 targets of the Convention on Biological Diversity (CBD),** by

[35] The ability to prepare for, mitigate, or prevent negative impacts of hazards so as to preserve and restore essential basic structures and functions, for example through protection, robustness, preparedness, and/or recovery.
[36] World Bank Group. 2021. World Bank Group Climate Change Action Plan 2021–2025 : Supporting Green, Resilient, and Inclusive Development. World Bank, Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/35799 License: CC BY 3.0 IGO.
[37] World Bank Group. 2015. World Bank Group Gender Strategy (FY16-23): Gender Equality, Poverty Reduction and Inclusive Growth. World Bank, Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/23425 License: CC BY 3.0 IGO.
[38] World Bank. 2021. Green, Resilient, and Inclusive Development. World Bank, Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/36322 License: CC BY 3.0 IGO.

strengthening monitoring and management of terrestrial and marine landscapes, PAs, and biodiversity corridors, and promoting practices that have less impact on ecosystems. Moreover, several Project activities will be implemented in World and Natural Heritage sites and Biosphere Reserves under the United Nations Educational, Scientific and Cultural Organization (UNESCO) Man and Biosphere Program.

II. PROJECT DESCRIPTION

A. Project Development Objective (PDO)

PDO Statement

21. **To improve the management and resilience of ecosystems and related livelihoods of local communities in selected conservation and production landscapes and seascapes**.

PDO Level Indicators

22. **The PDO level indicators are:**

a. Increased management effectiveness of PAs within selected landscapes and seascapes, disaggregated by type of PA and area (percent increase score) (Percentage)

b. Land area under sustainable landscape management practices (CRI, Hectare (Ha)) –WB Corporate Results Indicator

b.1. Landscape area with improved climate resilience, disaggregated by type of practice (Productive or conservation) and landscape (Hectare (Ha))

c. People in targeted landscapes with increased benefits (disaggregated by gender, indigenous) (Number)

B. Project Components

23. **This Project will increase the resilience to climate change of selected landscapes and their communities, by addressing the vulnerabilities and risks described in the country's Climate Risk Profile Report from 2021 and mentioned above.** It will also improve management of carbon stocks and sinks to reduce GHG emissions from landscapes and rural economic activities. This will be achieved by improving planning and governance in selected landscapes to include climate change considerations throughout the SLM approach; taking advantage of PA's role as key sources of (ecosystem) services to local communities and critical instruments for reducing and reversing the impacts of climate change; and supporting diversification and consolidation of existing economic activities along with their value chains, and strengthening their adaptive and absorptive capacities in the face of changing climate conditions. Specifically, the Project will (i) produce studies and participatory plans to address climate change threats and vulnerabilities at the landscape scale; (ii) strengthen knowledge and professional capacities for addressing climate change and other management challenges at the landscape level, (iii) reduce GHG emissions and increase climate resilience of landscapes and their PAs by upgrading and constructing strategic infrastructure; (iv) promote low-carbon and diversified livelihoods for rural populations to increase resilience to a changing climate and extreme weather events; and (v) build capacities for creating or accessing new jobs in sectors or industries that are low carbon or less vulnerable to climate change, contributing to a more sustainable, resilient and inclusive local recovery and development.

24. **Component 1: Improved Climate Resilience and Management of Selected Conservation and Production Landscapes and Seascapes (US$40.72 million, of which: US$29.62 million International Bank for Reconstruction and Development (IBRD), US$8.10 million PROGREEN, and US$3 million Government).** This component will

increase the climate resilience of landscapes and seascapes dominated by PAs by building technical, physical and institutional capacities for improving their management. Specifically, this will be achieved by (1) Improving participatory ecosystem management and planning, informed by solid evidence and a deep understanding of climate risks and vulnerabilities; (2) Strengthening technical capacities and knowledge of public servants; and (3) Building resilient and low impact infrastructure for nature-based tourism.

25. **Sub-component 1.1: Strategic analyses and participatory planning for managing ecosystems in selected landscapes and seascapes focused at addressing climate vulnerability (US$7.82 million, of which: US$6.72 million IBRD, and US$1.10 million PROGREEN).** This sub-component will produce strategic knowledge and plans that will guide implementation of the Project by providing a better understanding of climate vulnerabilities and risks, and other relevant Integrated Landscape Management (ILM) challenges. The knowledge and plans will guide prioritization of investments and design of subprojects to be implemented under other Project sub-components, supporting ecosystem management, identifying value chains that generate the most income for women, and contributing to ecosystem-based climate adaptation across the landscapes. The Sub-component will finance (i) the production of analytical and knowledge products to inform Project intervention strategies, among which the marine PAs' baselines, through oceanographic research campaigns involving inter-institutional collaboration; (ii) the carrying out of workshops and communication actions to facilitate participatory planning at the landscape level and the adoption of ILM approaches; and (iii) the preparation of planning instruments at site and landscape level through participatory consultations. Activities will be differentiated between those that will receive co-financing from the PROGREEN Grant (1.1.A.), which will be implemented in Yungas and Gran Chaco ecoregions; and those activities implemented elsewhere (1.1.B.), which will be financed solely by IBRD.

26. **Sub-component 1.2: Strengthening technical capacities and knowledge of public servants (US$1.06 million IBRD).** This sub-component will finance (i) upskilling of public servants through specialization and master scholarships and (ii) the development of scientific research through applied research subprojects involving staff from National Park Administration (APN), provincial agencies and researchers from the national research and development system, to build capacities among public servants through hands-on field training. These activities will serve to provide new evidence, methodologies and tools to increase ecosystems' climate resilience and management, and/or understand the climate vulnerability of rural communities' livelihoods in the selected landscapes (e.g., studying the impacts of projected climate change, testing new methods for exotic species control, gathering evidence on the effect of SLM on livelihoods and biodiversity indicators, etc.). At least 300 staff from APN and 24 staff from provincial agencies will benefit from this sub-component to strengthen their abilities and competences to plan, implement, monitor, evaluate and expand Project intervention strategies. This in turn will contribute to improve PA management effectiveness and extend best climate and ecosystem management practices throughout the selected landscapes.

27. **Sub-Component 1.3**: **Building resilient and low emissions infrastructure to support nature-based tourism (US$31.84 million, of which: US$21.84 million IBRD; US$7.00 million PROGREEN and US$3 million Government).** Building, upgrading, revamping and equipping infrastructure to improve management effectiveness, or improve nature-based tourism revenues in the Selected Conservation and Production Landscapes and Seascapes, through, inter alia, the financing of meteorological stations, emergency response facilities, key access roads and telecommunications networks, logistics and administrative buildings, touristic facilities, rangers' houses and other ancillary facilities designed with a resilience lens and low-carbon building standards[39]. The sub-component will enhance the local capacities in the selected landscapes to forecast, prevent, respond and surveil wildfires and other extreme climate events'; manage rises (e.g. those caused by floods); expand low-carbon tourism and

[39] When possible, these will be based on studied, designs and research financed in sub-components 1.1 and 1.2.

business; and provide public services to vulnerable populations in remote areas, in the event of climate-related and other shocks. (Many of those communities see APN as the main point of contact with the state or the only close public entity from which to ask for assistance). Activities under this sub-component will be differentiated among those that have co-financing from the PROGREEN Grant (1.3.A), which will be implemented in Yungas and Gran Chaco ecoregions; and activities implemented elsewhere (1.3.B), which will be financed solely by IBRD.

28. **Climate resilient, resource and energy-efficient, and environmentally friendly construction will contribute to management of ecosystems and increase the economic benefits of nature-based tourism while helping reduce GHG emissions.** All of the new and revamped facilities and equipment financed under this sub-component will follow best practices for thermal insulation, energy efficiency, and resource circularity (e.g., water reuse) for increased resilience. This will be achieved by adopting the national bio-environmental standards,[40] which include bioclimatic architecture, high performing building envelope (increased thermal energy efficiency), high performance-controlled ventilation, renewable energy, automation, and efficient technologies (e.g., LED lighting). Other more-stringent internationally recognized best practices will also be considered when available. This approach means that measures will be taken to reduce consumption of water and gas, collect rainwater, treat water using energy and water-efficient brown and greenfield water systems, and reuse water discharges for secondary uses. Rehabilitation and construction of new infrastructure, modernization of equipment, and trainings related to green building operation techniques, have the potential to save at least 3.49 million kilo-Watts hour per year (kWh/year) and avoid emissions for 25.062 tons of carbon dioxide equivalent (tCO_2e)[41]. In addition, all new buildings will also be universally accessible, whenever technically and financially feasible.

29. **Component 2: Promoting Sustainable Livelihoods Across Selected Landscapes (US$13.97 million, of which: US$11.15 million IBRD and US$2.82 million PROGREEN).** This component will develop resilient and sustainable livelihood opportunities for local communities in the selected landscapes and support the core implementation of the Gender Action Plan for the Project (See Annex 5 for further detail). The studies and plans produced in sub-component 1.1, and the research subprojects financed through sub-component 1.2 will inform this Component. The Component will aim at (1) developing resilient nature-based livelihoods through subprojects that generate monetary and non-monetary benefits for the local communities and improve the absorptive capacity of ecosystems to climate shocks across the landscapes; and (2) training people from vulnerable groups to create or access green (resilient and low-carbon) jobs.

30. **Sub-Component 2.1: Developing income alternatives for local economically and climate-vulnerable communities through resilient and sustainable production of native ecosystems´ goods and services, value adding and trading (US$11.82 million, out of which US$9.51 million is from IBRD; and US$2.31 million is from PROGREEN).** This sub-component will mainly help improve livelihoods of local communities by financing subprojects through Community Driven Development (CDD) instruments with a focus on ecosystem-based adaptation.[42] The sub-component will finance three types of subprojects (types A, B and C, as described in Annex

[40] For example, all thermal insulation will be built according to the Argentine Normalization and Certification Institute (IRAM) Standard #11.603 of Bio-environmental Classification of the Argentine Republic.

[41] Parameters and assumptions were prepared for the Economic and Financial Analysis (*See Annex 3*) in consultation with the National Counterpart engineer experts and based on past infrastructure use data. Emission factors were obtained from national guidelines.

[42] Potential projects include, for example, the use of methane gas from agricultural and/or livestock activities for energy production; improved agricultural practices that reduce soil degradation, erosion, and retain carbon stocks; rangeland management for livestock to improve carbon sequestration; Sustainable forest management to avoid deforestation, land degradation, increase carbon uptake, and retain stocks; Forest restoration and reforestation; Non-timber forest products and biomass for carbon neutral products; the use of climate-

1), which will be prioritized based on their benefits to women, the livelihoods of local communities from the selected landscapes, as well identified climate risks and vulnerabilities, gaps and opportunities identified as a result of sub-components 1.1 and 1.2. The subprojects will contribute to preserve, restore, and enhance habitat connectivity between PAs and increase the climate resilience of critical biodiversity. Activities will be differentiated among those that have co-financing from the PROGREEN Grant (2.1.A.), which will be implemented in Yungas and Gran Chaco ecoregions; and activities implemented elsewhere (2.1.B.), which will be financed solely by IBRD.

31. **These community driven investments required to multiplicate low impact productive land uses across prioritized landscapes will be implemented on more than 860,000 ha of native forest, rangelands, wetlands and coastal-marine areas through tested (and enhanced) rural development approaches** such as Climate-smart production, Sustainable Use, Value Chain Development and Market Access Support subprojects. As a result of the subprojects, communities will have greater access to monetary and non-monetary benefits from areas subject to improved resilience to climate change; low-carbon activities; better environmental management practices; increased or diversified sustainable production capacity, and greater market access. Special focus will be put in women participation in decision making processes that are part of sub-projects identification and design, and to sharing of benefits from their implementation. The subprojects will be prioritized based on criteria detailed in the Project Operational Manual (POM) to contribute to SLM and alleviate the burden of domestic care and unpaid tasks on women, in alignment with outputs from sub-component 1.1. During proposal, awareness and sensitization workshops will be held to discuss the contributions of women to family production and unpaid domestic and care tasks.

32. **Sub-component 2.2. Training vulnerable population to build capacities for accessing and creating green (resilient and low carbon) jobs (US$2.15 million, out of which US$1.64 million is from IBRD; and US$0.51 million is from PROGREEN).** The sub-component aims at building human capital by improving skills and competencies of members from local communities that are most at risk from extreme weather events and climate change to create and access green jobs. Training programs for green jobs[43] will be selected based on information produced by studies and research from Component 1, prioritizing those that address key climate-vulnerable groups; activities with greater participation from women; and those identified as having the most potential for growth when considering projected climate changes in each landscape or seascape, and will also support the capacities required to implement Subprojects under Sub-Component 2.1. At least 90 percent of the training will be targeted at resilient and low-carbon activities by applying climate-focused criteria detailed in the POM. and all training programs will include general climate awareness modules. As part of the Project gender strategy and its objective to close the income gap between women and men, training programs to be delivered will prioritize those related to skills and competencies required in jobs with high potential to contribute to gender equality (e.g., those for which a better balance between genders can be achieved; or those in sectors where women prefer to work). Minimum quotas for women will also be set up in the POM as part of the training beneficiaries selection criteria. Activities will be differentiated between those that will receive co-financing from the PROGREEN Grant (2.2.A.),

adapted seeds for sustaining flooding and or droughts (depending on the area); Soil management techniques to increase fertility and water retention such as the preparation of terraces, bunds and ditches; Irrigation management to optimize water and energy usage in agricultural production; improved fire risk reduction and management practices. For more details, please refer to indicators 2 and 2.A. in the Results Framework.

[43] Green jobs are defined, for the purpose of this Project, as “Economic activities that are climate-resilient, as carbon neutral as possible, and have low environmental impacts”. Capacity building for green jobs supported by the Project will be focused on climate-related activities for mitigation, such as renewable energy, reforestation, low-emissions agriculture, and energy efficiency; and ecosystem-based adaptation such as climate-resilient agricultural practices, control of invasive species, forest and fire management and prevention, or adaptive fisheries management, among others. Other environmental practices could also be included here such as nature-based tourism.

which will be implemented in Yungas and Gran Chaco ecoregions; and those activities implemented elsewhere (2.2.B.), which will be financed solely by IBRD.

33. **Component 3: Project Management, Monitoring, Evaluation (US$5.31 million, of which: US$4.23 million IBRD and US$1.08 million PROGREEN).** This component will strengthen the capacity of APN to perform administrative and financial management; procurement; overall monitoring; and reporting of Project progress and results; development of the Project's communication and stakeholder engagement strategies; oversight of climate-awareness actions to be supported by the Project; and compliance with the applicable environmental and social standards (ESSs), including the administration of culturally appropriate grievance redress mechanisms. Activities will be differentiated among those that have co-financing from the PROGREEN Grant (3.A.), which will be implemented in Yungas and Gran Chaco ecoregions; and activities implemented elsewhere (3.B.), which will be financed solely by IBRD. This component will finance: (i) provision of support for the technical and administrative coordination of the Project, including the hiring of consultants to staff the General Project Coordination (CGP, *Coordinación General de Proyecto*), (ii) implementation of the fiduciary aspects of the Project; (iii) overseeing of the application of ESSs; and iv) design and execution of participatory monitoring mechanisms in line with the WBG´s Citizen Engagement Strategy, including improved monitoring of Land Use and Land Use Change Emission (LULUC) from rural activities in line with the latest Monitoring, Reporting and Verification (MRV) systems of Argentina, and dissemination of Project ´s results.

34. **This sub-component will also support mainstreaming an evaluation culture across Argentina's national policies, and link State duties with knowledge production areas, with the goal of developing of a National Development Strategy**. In consequence, this component will also finance a strategic government-led Project evaluation process focused on generating evidence about its contribution (as part of the broader government's international financing strategy) to i) the priority governmental management guidelines, including the contribution to the achievement of the UNFCCC targets and SDGs[44]; and ii) the achievements in terms of institutional strengthening of the State and its jurisdictions. The evaluation process will be coordinated with the Secretariat of Strategic Affairs (SAE, *Secretaría de Asuntos Estratégicos*) from Argentina's presidential office. SAE will lead the development of Terms of Reference (ToR) to hire an "Evaluation Agent". It will also integrate the data produced for the Project evaluation with broader national, provincial, and ministerial data and statistics systems, within the framework of Argentina's Public Information Access Law.

C. Project Beneficiaries

35. **The Project beneficiaries (both direct and indirect) can be divided into four groups adding to 5.8 million people.** These groups include local communities, public servants, tourists, and local providers of tourism and related services, as described below.

36. **The first group is composed of, approximately, 15,000 people from local communities, including rural, peri-urban, and small urban communities who are vulnerable to climate change, given their livelihoods depend directly on environmental goods and services from ecosystems in the selected landscapes.** This group of direct beneficiaries (~3,300 households) represents around five percent of the rural population of the selected intervention areas. It includes campesinos and small and medium-size producers, from which an estimated 55 percent are indigenous peoples, and 45 percent are women. At least 11,475 beneficiaries are expected to obtain higher monetary and/or non-monetary benefits from ecosystems services as a result of the Project. Around 1,300

[44] As per the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015.

of these direct beneficiaries will benefit from a short-term increase in their incomes as a result of being hired for construction and maintenance of infrastructure in the selected intervention areas, and an estimated 2,225 will benefit from training programs to improve their capacities to create and access green jobs.

37. **A second group of beneficiaries are public servants from the Federal PAs Systems and from the national research and development (R&D) system.** About 300 staff from the national PA system (20 percent of its permanent staff), 24 from the provincial or municipal PA systems, and 70 from the national R&D system, will receive field training, mostly through their involvement in applied research subprojects. Of them, 40 from the National PAs Systems will benefit from postgraduate trainings that will increase their capacities in strategic areas will help mainstream integrated landscape approaches into APN's management.

38. **A third group of beneficiaries is tourists visiting PAs within the selected landscapes, projected to reach about 5.5 million by 2025.** This group will benefit from Project investments in infrastructure and related improvements in tourist services. The quality of tourists´ visiting experiences will be improved because of the new and renewed climate-resilient and universally accessible infrastructure in the PAs (e.g., visitor centers, public restrooms, service areas, lookout points, new docks and bridges, etc.); the addition of new attractions within the parks (e.g., mountain refuges, revamped historic buildings, paleontological interpretation trails, camping sites, etc.) and related improved touristic services for various types of tourists (hikers, cyclists, backpackers, runners, birdwatchers, campers, etc.).

39. **The fourth group of beneficiaries consists of a portion of the population within the selected landscapes, who will benefit from spillovers generated by the higher level of local economic activity, and increased/maintained ecosystem services.** Approximately 300,000 people (5 percent of the total population in the selected landscapes), primarily involving local providers of tourism and related services (e.g., local tour guides; national and international transportation companies; accommodation facilities; gastronomy services; local transportation; cultural, recreational and sports operators; local souvenirs and handicrafts markets; temporary rental or sale of vacation homes; companies or individuals related to cultural events or activities).

D. Results Chain

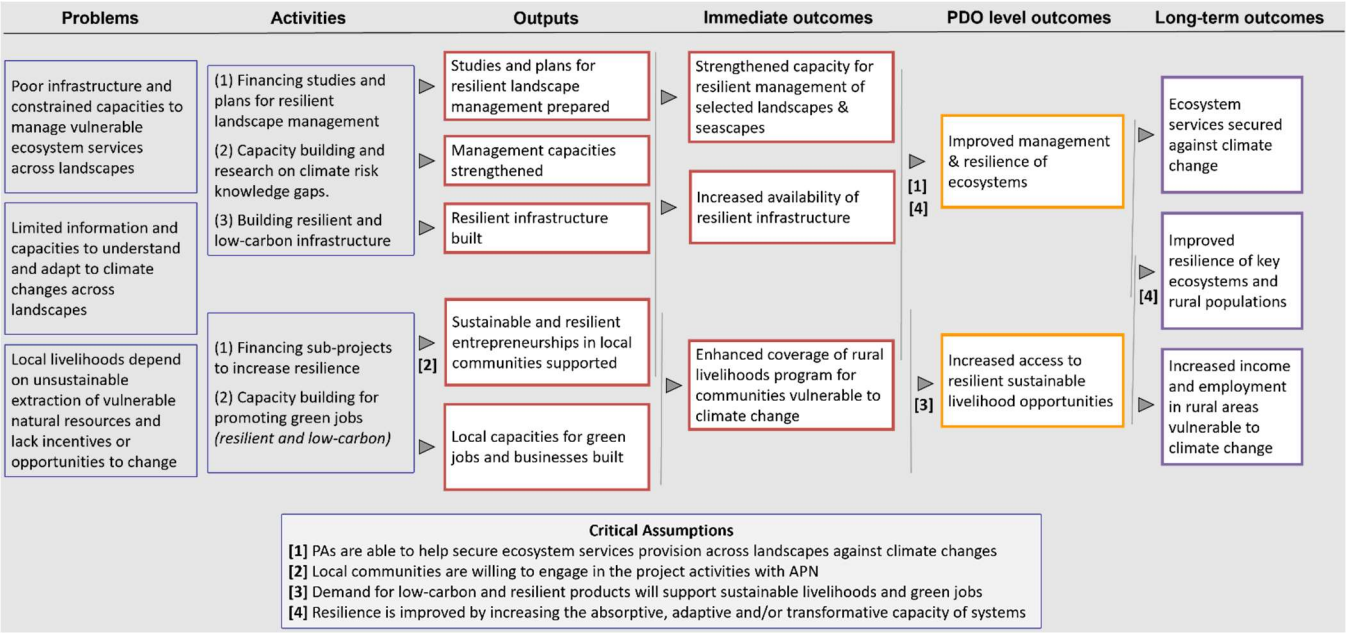
40. **Unsustainable management practices cause degradation of climate-vulnerable natural capital with deleterious landscape-wide consequences for biodiversity and provision of ecosystem services that local communities depend upon.** This is driven by (i) narrow and constrained capacities to manage key areas needed to secure the provision of climate-vulnerable ecosystem services; (ii) limited information and capacities to understand and adapt to climate changes across landscapes; and (iii) reliance of local livelihoods on unsustainable extraction of vulnerable natural resources and lack of opportunities or incentives to change.

41. **The Project will improve the resilience and management of ecosystems, and the related livelihoods of local communities in selected landscapes and seascapes** by strengthening planning and governance for a changing climate at the landscape level; boosting capacity to manage key ecosystems by financing resilient infrastructure in key PAs; training public servants and developing applied research in key climate adaptation knowledge gaps; supporting development of resilient and sustainable productive activities; and building skills for green (resilient and low-carbon) jobs in selected rural communities (see figure 1).

42. **Project activities are expected to contribute to the strengthened resilience and long-term improvement of key ecosystem services against climate changes; and sustainable income opportunities for rural populations across landscapes and seascapes that are vulnerable to climate change.** Successful implementation of Project activities depends on the capacity of key PAs with improved management to support ecosystem service provision across landscapes in the face of climate change and other shocks; the willingness of local communities to engage

with APN through capacity building and livelihood improvement initiatives; increased demand for resilient and low-carbon products and services that support green jobs and livelihoods; and the assumption that resilience can be strengthened by increasing the adaptive, absorptive, and/or transformative capacity of natural and human systems.

Figure 1. Project Theory of Change



E. Rationale for Bank Involvement and Role of Partners

43. **The Project builds on the results, products, and experience from a stream of IBRD/GEF operations that the World Bank has been supporting in Argentina over the past 20 years, supporting almost 400 communities and 65.000 small family producers and indigenous peoples by fostering rural development and the protection of livelihoods, nature, and carbon stocks**. Among other, they include: (a) the Rural Corridors and Biodiversity GEF Project (P114294, pipeline) that protected vulnerable natural areas and conserves biological diversity focusing on the development of sustainable use of biodiversity corridors to strengthen the connectivity among natural protected areas in the Gran Chaco and Patagonian ecoregions; (b) the Forests and Community Project (P132846) that supports indigenous and campesino communal forest management plans in the Gran Chaco Ecoregion; (c) the Argentina Socio Economic Inclusion in Rural Areas Project (P106685), which focuses on supporting small producers on value adding and increasing access to markets; (d) the Integrated Risk Management in the Rural Agroindustrial System Project (P162316), which seeks to improve the management of agricultural risks including nature-based solutions; and (e) and the Reducing Emissions from Deforestation and Forest Degradation (REDD+) Readiness Preparation Grant (TF019086, P120414) that has supported Argentina's efforts to mitigate climate change and access forest carbon markets; and developed key analytical work to strengthen policy dialogue on sustainable forest management and conservation.

44. **The Project implementation will also benefit from a broader program supported by the PROGREEN multi-donor trust-fund administered by the World Bank.** Such program will not only leverage additional resources for some Project investments aimed at achieving key results in some of the selected landscapes; it will also make technical assistance and strategic pieces of analytical work (being developed through a Bank-executed trust fund)

available to inform the Project implementation. Finally, PROGREEN's supported program will also facilitate the coordination with other Projects being implemented by the Agriculture and Food global practice, supporting the practical implementation of the Project under an integrated landscapes management approach.

45. **Project interventions will further APN's capacity to design policies for planning and managing landscapes, and for implementing management actions on the ground.** A combination of increased planning capacities, the generation of a knowledge base, and the construction of key infrastructure for management, monitoring, and sustainably financing interventions across the landscape will contribute to support climate resilience of key ecosystems. Hence, the Project will maintain and increase ecosystem services to support livelihoods and contribute to the adaptation of rural communities to climate change.

46. **This Project will be targeted at Argentina's rural communities, some of the most affected by the crisis derived from the COVID-19 pandemic, to promote a green, resilient, and inclusive development (GRID) approach.** This will be achieved by building resilience and fostering inclusion through all Project activities; importantly by strengthening the human capital available in rural landscapes; promoting new, diversified, and resilient livelihoods; and planning at a landscape-scale with the local population. Local communities will be part of the project through participatory planning processes, beneficiary committees, and as beneficiaries of subprojects and capacity building for green jobs.

F. Lessons Learned and Reflected in the Project Design

47. **The Project draws from the experience of previous IBRD and Global Environment Facility (GEF) funded operations that the WB has been implementing in Argentina over the past 15 years.** Key lessons learned from previous projects that were incorporated into the Project design are summarized in the following paragraphs.

48. **The implementation of community driven subprojects may require outsourcing provision of technical support to communities through expert organizations that have previous experience working with beneficiary groups.** Past experiences from WB projects that included Dedicated Grant Mechanisms (DGM)[45] have demonstrated that administration of community subprojects by a specialized partner agency or third-party facilitates fast implementation and contributes to sustainability and scaling-up the results. In this Project, sub-component 2.1 comprises a series of subprojects for communities outside the usual scope of work of the APN. In consequence, the identification, formulation, and implementation of, at least, part of the subprojects, will be outsourced depending on the conditions and availability of organizations in each landscape. Additionally, through this arrangements, **economies of scale are expected to be obtained through a flexible bundling of contracts for the implementation of various subprojects.**

49. **Clear selection, prioritization, and exclusion criteria should be outlined to secure the contribution of Project investments (including subprojects) to the PDO, and to the climate change and gender agendas.** To secure the contribution of investments to the PDO, concrete selection, prioritization, and exclusion criteria will be defined in the POM, each financed intervention will be explicitly linked to a Project indicator, and beneficiaries will be informed of reporting expectations. APN's board will approve the POM and the eligibility criteria before selection of Project investments are selected, speeding up the process.

50. **In addition, pre-defined options of equipment and works for basic services and productive infrastructure (e.g., of known typologies, design, technical specifications, operation standards, suppliers, and costs) might be offered to subproject beneficiaries to simplify subproject design, risks, and impact assessments, and to**

[45] These include the establishment of a stable community grant system. For example, P145316, P143492, P151604. Other relevant experiences in Argentina include the Forest and Community Project, P132846.

accelerate their implementation.

51. **To prevent elite capture and favoritism; and to enhance accountability, sustainability, and scale-up of results, subproject selection and evaluation processes should involve multiple stakeholders, ideally through landscape-level governance bodies.** The Project will engage relevant local stakeholders with permanent links to the landscape and presence on the ground (including municipalities and provincial governments), through landscape-specific subproject selection and supervision committees. It will also build on existing community engagement mechanisms to ensure ownership, transparency and to monitor Project implementation. Participation of women in Project monitoring will be sought to promote ownership and active participation in decision-making processes.

52. **A specific sustainability strategy is required for each subproject to secure continuation of Project outcomes in the long term.** Previous Bank projects in Argentina have identified the difficulty of securing the sustainability of subprojects. This is especially relevant for the proposed Project, because it is expected to allocate 145 subprojects across the 13 landscapes. Therefore, Project design (through the POM) incorporates a requirement to include an acceptable sustainability strategy as an exclusion criterion for selection of subprojects to be financed. In addition, a stepwise approach to selecting subprojects to be supported has been envisaged, involving three types of subprojects of increasing sizes, complexity, impact, and sustainability expectations.

53. **A diversity of Investments across large areas requires intensive monitoring efforts that should be frequently evaluated.** Previous projects implemented across larger scales in a decentralized manner have failed to properly monitor and report progress, affecting the ability to make efficient management decisions. To address this, the Project will create a single digital dashboard for monitoring all investments across the landscapes in real time, which will be clearly defined in the POM. This will offer easy to access information for management, supervision, and reporting. The dashboard is especially important considering the scale of the Project and the variety of investments to be financed.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

54. **The loan and grant agreements will be signed by SAE as the representative from the borrower/recipient. The Ministry of Environment and Sustainable Development of Argentina (MAyDS) will be the implementing agency through APN. MAyDS will sign a subsidiary agreement with APN for implementing the Project.**

55. **The Project will be implemented by APN,** which will set up the CGP, headed by a seasoned and qualified Coordinator, who will be the main point of contact for the interactions with the WB; and report and coordinate the decision-making of two different Directorates of APN: The National Conservation Directorate (DNC) on technical issues, and the General Administration Directorate (DGA) on fiduciary and administrative issues. The CGP will retain most of the staff that has implemented a previous GEF-funded project (P114294) and has been trained in WB procedures to ensure the retention of built capacities.

56. **The CGP will consist of six thematic teams with representatives from APN's headquarters and from the field for each landscape**. These thematic teams are: i) a Technical team; ii) an Administrative and Financial Management team; iii) a Procurement and Contracts team; iv) an Environmental Risks Management team; v) a Social Risks Management team; and vi) a Monitoring and Evaluation (M&E) team. The representatives from the thematic teams in the field will coordinate landscape-specific sub-teams led by a landscape focal point. An organizational chart describing the structure and reporting lines of the CGP will be included in the POM. The proposed matrix structure crossing thematic and geographic domains, replicates internal arrangements APN has

applied for a long time. This approach prevents creating *ad hoc* structures specifically for the Project implementation and contributes to strengthening the current available institutional capacities and processes within APN. Thus, it is expected that this structure will be maintained after Project closure. The CGP will oversee proper implementation of the applicable ESSs and monitor results.

57. **The DNC will oversee the CGP's implementation of the technical aspects of the Project and** coordinate the implementation of the intervention strategies, ensuring harmonization and alignment with the expected Project results and PDO. It will also coordinate the involvement of APN's National Infrastructure Directorate, National Marine PAs Directorate, National Public Use Directorate, National Operations Directorate, and Communications and External Affairs Directorate when required. For example, their involvement may be required for the development of ToR and other documents to implement the Project Procurement Strategy for Development (PPSD), or the implementation of specific Project-related activities.

58. **The DGA will oversee the CGP on the fiduciary aspects of Project implementation,** and will be responsible for procurement and financial management, including budgeting, accounting and financial reporting, internal control, disbursements, documenting expenditures to the Bank and external auditing arrangements. It will also coordinate the involvement of APN's Legal Affairs General Directorate and Human Resources General Directorate when required.

59. **Professionals will be appointed to strengthen the CGP, adding the necessary profiles and skills to those already available in APN's staff, and ensuring an appropriate workload distribution; as well as back-up arrangements sufficient to cope with usual and unforeseen events, preventing implementation delays**. The profiles and role descriptions of key staff required to implement the Project will be detailed in the POM. Key staff will be hired by the Project through competitive and public processes described in the POM.

60. **Among key staff, the focal point for each landscape and seascape will be responsible for the coordination with internal and external Project governance structures.** It will be a representative from APN and responsible for coordinating and overseeing implementation of activities under the Project in a specific landscape or seascape, ensuring synergies with local stakeholders and alignment toward achievement, monitoring and communication of the Project expected results and PDO. Territorial promoters from the CGP will support the focal point.

61. **For the purposes of conducting marine research campaigns under sub-component 1.1, an inter-institutional agreement will be signed with the National Council for Scientific and Technical Research (CONICET, *Consejo Nacional de Investigaciones Científicas y Técnicas*),** which will provide marine research vessels and crew services to conduct the research campaigns under technical specifications that APN will develop, and the Project will cover incremental operating costs (as defined in the Project Loan and Grant agreements) that CONICET incurs.

62. **For implementing subprojects, APN will sign agreements with Subproject Implementing Entities (SIE).** For implementation of applied research subprojects, under sub-component 1.2, APN will sign agreements with public scientific research agencies**.** For implementation of the Type A and Type B subprojects, under sub-component 2.1, APN will sign agreements with legally functioning civil society organizations or non-government organizations (NGOs). For Type C subprojects, legally functioning private for-profit companies might sign agreements with APN to act as SIEs.

B. Results Monitoring and Evaluation Arrangements

63. **A dedicated M&E team will be hired, composed of an M&E coordinator, an M&E specialist with experience in participatory monitoring, and a Geographic Information Systems (GIS) specialist.** M&E focal points based in each of the selected landscapes will support the team and run a centralized dashboard to monitor the

roll-out and development of the multiple Project intervention strategies, activities, and procurement processes across the selected landscapes; and contribute to the Results Framework. This will allow early identification of performance problems and implementation delays and facilitate adaptive management.

64. **Specialized staff within the CGP will monitor Project impact and performance** by developing baseline studies, gathering evidence and data, analyzing the information, and producing reports on Project performance relative to objectives and expected outcomes. APN has experience monitoring similar projects. Funding for the implementation of the monitoring system is provided under Component 3, and will comprise a joint effort between the government, the private sector, NGOs, consultants, and academia when pertinent. Combined traditional and digital tools will be used for the participatory monitoring of the Project.

65. **Ad-hoc evaluation committees consisting of experts and CGP members will be created to assess and approve subprojects (sustainable use, value chain, market development, research) and scholarships**. Guidelines and criteria for the evaluations will be defined in the POM. CGP will also coordinate with SAE the implementation of the strategic Project evaluation process, including the carry out of Project strategic evaluation activities, who will be responsible for technical-methodological advice.

66. **The Project will report on the PROGREEN core indicators (see section VII).**

C. Sustainability

Financial sustainability

67. **Financial sustainability will be ensured through economic returns from increased visitation due to investments in infrastructure to improve touristic facilities, services, and access to PAs, optimized operating costs and an integrated strategy to promote ecotourism services provided by local communities (See Annex 4)**. Revenues from tourism including tickets, concessions, and other sources, are becoming increasingly relevant in securing the sustainability of APN's operations. For example, a steady increase in Park visitation correlated with a threefold increase in tourism revenues between 2016 and 2019, reaching 40.6 percent of APN's annual budget of around Argentine Pesos (ARS) 2.3 billion. Project activities will create additional revenue streams and greater visitation, which will add to incremental benefits of an estimated US$7.6 to US$11 per tourist. Additionally, all new green infrastructure will be designed for minimum maintenance requirements, while also being self-reliant for some services (e.g., recycling gray water, storing rainwater, increasing energy efficiency, renewable energy, etc.).

68. **Strategic investments under different Project components will create new financing flows for APN, which will finance maintenance and operation of assets and continuation of interventions beyond the Project lifespan**. Considering the planned cost-saving measures, maintenance costs for new infrastructure will be ARS31.2 million, or one percent of budget of APN (and up to nine percent of current APN's maintenance costs); while a growth of four to six percent over current APN's budget is estimated by Project completion, effectively offsetting the new costs. For example, the revamping of the Haedo Palace (an iconic historic building, located in a popular pedestrian shopping street in downtown Buenos Aires) will drive increased tourism towards Argentina's PAs, generating new income for APN through tickets and merchandise. Through its regular operation, the palace is expected to generate ARS15.6 million and cost ARS7 million annually, generating a net benefit of ARS8.6 million, coupled with spillover effects of increased visitation across PAs. It will involve concessions for private businesses and events, and the creation of a high-tech multimedia visitors experience center linked to tourist-oriented businesses, including some benefitting local communities from the selected landscapes (e.g., an APN's branded gifts shop, an outdoors-specialized travel agency and/or a fair-trade shop offering the services and products supported by investments under Component 2). It will also bring in new resources that might be used by APN to sustain the

support to beneficiaries of subprojects beyond the Project lifespan, and to scale-up such kind of investments.

Institutional sustainability

69. **Institutional sustainability will be promoted by prioritizing investments in infrastructure, capacity and planning that are essential to management of selected landscapes, as well as subprojects and green jobs with high potential for growth.** This will lead to the selection of investments that APN is likely to continue to finance, and subprojects and green jobs that are likely to generate income and continue to stay after the Project is completed. For example, investments under sub-components 1.1 and 1.2 will be transferred to public and internal documents to help APN and other public and private actors capitalize on the knowledge and information generated. Similarly, green jobs such as those related to renewable energy, energy efficiency, and circular economy will be prioritized because the market for these is expected to grow exponentially.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

70. **An Economic and Financial Analysis (EFA) was developed for the Project to assess financial profitability and viability from the point of view of Project beneficiaries and the country.** The economic analysis results show that the Project is economically viable in all models evaluated (See Annex 3). Economic Rate of Return (ERR) is 27.9 percent under the High Price of Carbon (HPC) scenario and the Net Present Value (NPV) is estimated at US$85.55 million. ERR goes down to 21.79 and 17 percent when considering Low Price of Carbon (LPC) scenario and market value respectively, and NPV is US$61.68 million and US$43 million respectively. In addition, subproject impacts are expected to improve vulnerable family incomes by 17 percent on average.

71. **Climate Change. This Project was designed to maximize its contribution to climate action through Climate Co-Benefits by increasing resilience to climate change across landscapes and communities and reducing GHG emissions.** The Project design was based on the national commitments and reports to the UNFCCC and the country's Climate Risk Profile Report from 2021. GHG removal is expected to be achieved by improving energy efficiency and implementing the use of renewable energy in buildings and equipment, and by enhancing carbon removal and storage of ecosystems and forests across landscapes. Resilience will be enhanced by improving the capacities of local communities and managers, improving the existing public infrastructure, producing key knowledge and information about vulnerabilities, improving the access to critical ecosystem services across landscapes, and creating more resilient and diversified value chains for local communities. This will be achieved by including climate change considerations and into planning and governance and mainstreaming the SLM approach.

72. **Gender. A Gender Gap Assessment was carried out on November 10, 2021, identifying three key gender gaps in the selected landscapes, and proposing a Gender Action Plan (see Annex 5) which includes a series of actions to contribute to close the gaps, and three indicators to measure progress.** The Gender Gap Assessment and Gender Action Plan will be made available as annexes to the POM throughout Project implementation. These have served to inform Project design and the Results Framework. The three key gender gaps identified are (i) influence in leadership and decision-making, (ii) access to own income, and (iii) use of time for unpaid domestic care activities. The Project, in alignment with national authorities and trained personnel from the CGP, will implement cross-cutting capacity building activities in the selected landscapes and specific actions to address each identified gender gap. The contributions of the Project to address these gaps will be monitored through indicators 2.4. Share of community development subprojects (under subcomponent 2.1) approved for financial and technical support implemented by organizations led by rural women; 2.5. Difference in the share of men and women with

greater monetary benefits resulting from the Project; and 2.6. Change in time that women beneficiaries of subprojects spend on unpaid domestic/care work (Percentage).

73. **Citizen Engagement. The project will endeavor to achieve comprehensive citizen engagement throughout implementation.** A Stakeholder Engagement Plan (SEP) has been developed for the Project (see Section IV.D.), which identified key local citizen organizations that will be involved. Through local committees, citizens and beneficiaries of the Project will have the opportunity to engage with the CGP to inform on the most relevant and pressing issues to target Project interventions, including for informing the criteria and selection process for subprojects and trainings under Component 2. Moreover, participatory mechanisms will be introduced to monitor implementation progress, results, and impacts, while strengthening ownership of beneficiaries and other key stakeholders (e.g., SIEs, Local Advisory Councils, Evaluation and Monitoring Committees, local communities from PAs or Buffer Zones, visitors to PAs, organizations, and local authorities). Citizen engagement will be monitored through indicator 1.2. People participating in consultations on planning and management of targeted landscapes (number) (disaggregation by landscape, women and indigenous).

B. Fiduciary

Financial Management

74. **A Financial Management (FM) Assessment was finalized on December 6, 2021, to assess the adequacy of the FM arrangements in place at the CGP at APN to support the Project's implementation.** It was determined that the FM arrangements in place at the CGP are acceptable to the World Bank because they: (i) are capable of correctly and completely recording the Project's transactions; (ii) facilitate production of the requisite financial reporting in a timely manner; (iii) safeguard the Project's assets; and (iv) are subject to acceptable auditing arrangements.

Procurement

75. **Procurement will be conducted using the Bank's 'Procurement Regulations for IPF Borrowers', issued in July 2016 and updated in November 2020, for the supply of goods, works, non-consulting and consulting services**. The fiduciary implementation will be under CGP's responsibility, with inputs to carry out the procurement activities including technical specifications and ToR to be provided by the different technical areas coordinated by APN's DNC. In this context, a procurement capacity assessment of the CGP was carried out on March 4, 2021, considering the existing systems, structure and staff that is currently implementing Bank's financed project in order to identify any specific risks concerning the implementation of procurement activities and proposed mitigation measures. The results of the capacity assessment determined that APN's procurement procedures and capacities are acceptable to the WB; and two main actions will be implemented to mitigate potential risks: (i) a procurement specialist will be incorporated to the CGP, and (ii) a PPSD is being developed by the CGP with close support from the Bank team to identify fit-for-purpose approaches to the procurement expected within the Project, including lessons learnt from the ongoing operations (See Annex 2 for additional details).

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No

Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

76. **The environmental risks and impacts considered include**: (i) inappropriate application, storage and disposal of pesticides and phytosanitary products; (ii) risks to the health and safety of construction workers and beneficiaries of small-scale agricultural production and processing investments; (iii) risks to the health and safety of the community from the operation of agricultural machinery and other agricultural, forestry, and tourism activities; (iv) potential small-scale impacts on a critical, natural or modified habitat, due to the expansion of production activities without adequate planning; (v) potential road accidents (to people and fauna - especially in PAs) related to the transport of inputs and waste; (vi) potential water pollution, land degradation and soil erosion by inappropriate agricultural techniques; (vii) marine pollution; (viii) forest and grassland fires; (ix) Risks and impacts on biodiversity, especially in the PAs where productive and tourist activities are carried out; (x) potential risks and impact of historical heritage from revamping works at Haedo Palace, among others. Management measures were identified in the Environmental and Social Assessment (ESA), and included in the Project's Environmental and Social Management Framework (ESMF), based on best practices and WBG guidelines on environment, health and safety for the agro-industrial sector, as well as Food and Agriculture Organization's (FAO) code of conduct for pest management. The Project and subprojects will be reviewed, managed, and monitored according to the procedures included in the ESMF and the draft POM, as well as the monitoring and evaluation requirements of ongoing investments and the overall footprint of the Project to consider cumulative impacts.

77. **The main social risks are associated to ongoing conflicts and/or disputes regarding land tenure at some project sites that could affect the implementation of some of the Project activities**. Main issues include overlapping interest on land uses from different stakeholders (e.g., expansion of the agricultural frontier vs. use of forest resources) in areas with unclear land tenure or boundaries (some of which are owned by indigenous communities); encroachment and land grabbing; and inter-ethnical conflicts. These conflicts have indirect relation with the Project activities, since the conflicts are pre-existing, and the activities proposed by the Project are not expected to generate disputes over indigenous lands or with existing communities in the area. Rather, the Project is expected to propose activities to improve income generation and the quality of life of communities that depend on natural resources. Nevertheless, the conflict may predispose or instill distrust and resentment between the implementation agency and the local communities. Other social risks and impacts include: i) elite capture; ii) economic displacement and restriction of access to natural resources due to activities under Component 1 and 2 that could affect vulnerable and resource dependent groups, including indigenous people; iii) indigenous people and vulnerable groups affected due to new PA proposed (Islote Lobos); iv) exposure of Project workers to COVID-19 and transmission to local communities. The Project will include elements to minimize exclusion risks and focus on inclusive stakeholder engagement through a SEP, particularly regarding indigenous and peasant communities, rural workers, women, and youth.

78. **APN has experience in implementing Bank-financed projects, but this is their first experience under the new Environmental and Social Framework (ESF)**. The Bank assessed APN's capacity to implement this Project and determine the need for additional resources, skills set, capacities and actions (additional training needs) required to strengthen the borrower´s capacity to manage the Environmental & Social (E&S) risks of the Project and meet the objectives and requirements of the WB's ESSs. The technical aspects to be strengthened that have been identified are the identification and management of cumulative impact assessment, community health and safety aspects, environmental, health and safety risks and impacts associated with marine campaigns.

79. **The CGP prepared an ESA, which was subject to public consultations.** It includes an environmental and social diagnostic of the habitats and areas of intervention within the Project Geographic Scope, and the associated direct

and indirect Project impacts as well as how these would affect the vulnerable and disadvantaged groups and contribute to development of proposals on how to implement differentiated measures so that adverse impacts do not fall disproportionately. E&S risks and impacts were assessed at the framework level to identify key and most relevant and provide measures to manage them according to the mitigation hierarchy. Given that the Project takes a landscape approach, considering producers and activities in large areas of the territory, cumulative risks and impacts were considered. APN's technical team prepared a checklist for the identification of risks and impacts according to type of intervention, to facilitate early identification of risks and associated management measures.

80. **An ESMF based on the ESA's findings and conclusions is being finalized by the CGP.** It includes guidelines and other complementary instruments such as the Biodiversity Management Plan; an Integrated Pest Management Plan that includes an Integrated Vector Management; and a guide for handling solid waste and hazardous substances. The ESMF also includes an Emergency and Contingency Response Plan; an Occupational Health and Safety Plan -including measures described in the WB's ESF/Safeguards Interim Note "COVID-19 Considerations in Construction/Civil Works Projects"; and Cultural Tangible and Intangible Heritage Management Procedures. The consultation, adoption, and disclosure of the ESMF will be completed before effectiveness or prior to the start of the Project activities (whichever occurs first). A Resettlement Policy Framework, including Process Framework, and an Indigenous People Planning Framework are also conditions of effectiveness as part of social risks management instruments. A first consultation with the indigenous peoples involved with the new PA of Islote Lobos was conducted for the Indigenous People Plan.

81. **The SEP has been developed and adjusted after receiving feedback during public consultations.** It includes a strategy and a schedule for the consultation of the rest of the environmental and social management instruments. SEP considers a wide range of stakeholders, including other government agencies that will be involved in the Project, Indigenous communities and peasant and producer organizations, private sector organizations, and NGOs. Project documents were widely consulted between November 29 and December 1, 2021; and made available online since November 17, 2021. Five workshops were conducted in the different regions involving the selected landscapes and seascapes. The sectors involved included forestry, tourism, and agriculture. Feedback received was documented and responded. The ESA and the SEP were adjusted accordingly, and later on re-disclosed on December 8, 2021 and November 17, 2021, respectively, through APN's[46] and WB[47] websites.

82. **Risk Mitigation Measures**. Mitigation measures for the above-mentioned environmental and social risks will be set out in the SEP and the ESMF, which will provide guidance on managing the Project's E&S risks including screening and classification procedures for subprojects. A first draft of the Labor Management Procedure is also being prepared. The CGP will include environmental and social specialists at national and regional levels, who shall be maintained throughout Project implementation. Advanced drafts of E&S risk management instruments mentioned above, and the Environmental and Social Commitment Plan (ESCP) were prepared and disclosed by APN prior to Appraisal. The final version of the ESCP was disclosed on January 19, 2022 on APN's and WB[48] websites.

V. GRIEVANCE REDRESS SERVICES

83. **Communities and individuals who believe that they are adversely affected by a WB supported Project may submit complaints to existing Project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address Project -related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel

[46] https://www.argentina.gob.ar/parquesnacionales/recuperacion-sustentable-de-paisajes-y-medios-de-vida-en-argentina
[47] https://documents1.worldbank.org/curated/en/099655412082187521/pdf/Stakeholder0En0a0Project000P175669.pdf https://wbdocs.worldbank.org/wbdocs/component/drl?objectId=090224b088b86355&Reload=1642779315895&__dmfClientId=1642779315897&__dmfTzoff=180
[48] https://documents1.worldbank.org/curated/en/099100201132270805/pdf/Negotiated0ESC0pes0P175669010JAN22.pdf

which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the WB's corporate GRS, please visit http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the WB Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

84. **The overall risk rating for the proposed Project is Substantial**. The main factors explaining this rating are the contextual macroeconomic risk and the risks associated to APN's institutional capacity for implementation and sustainability of Project investments and outcomes.

85. **The potential impact of macroeconomic risk on the achievements of the PDO is Substantial**. The current macroeconomic conditions in Argentina include high inflation that might disrupt the markets where the Project is expected to procure goods, works, and services, and will add difficulties to the Project FM and procurement processes. However, the CGP has managed to implement previous projects under similar circumstances complying with WBG's standards. To mitigate this risk, a multi-year operational plan will be developed before Project effectiveness and updated every six months during the entire Project implementation period by the CGP.

86. **Technical Project design is rated as Substantial.** The rating is justified on the diversity of intervention strategies combined with multiple implementation sites (13 landscapes), which may dilute Project impacts and difficult M&E efforts. Mitigation measures include implementation of a centralized supervision dashboard, to be designed and implemented through Component 3, will track the different activities and procurement processes. The dashboard will benefit from the roll out of participatory M&E mechanisms, as a way to gather evidence and track the outputs and outcomes delivered by the Project. This will contribute to real-time and adaptive management through the CGP.

87. **Institutional Capacity for Implementation and Sustainability risk is rated as Substantial**. Although APN has a long track record implementing WB financed investment Project, in recent years the Project Implementation Team has suffered from a high turn-over rate and lost some of its most experienced staff. Additionally, this Project is significantly larger and more complex than those implemented in recent years. Implementation of construction works will demand significant time to run the administrative processes, and a versatile and specialized team to execute a diverse variety of buildings and maintenance activities in numerous remote locations. To mitigate these risks, the CGP will need to be strengthened incorporating experienced staff, with the right profiles to supplement existing capacities. Some functions (e.g., development of architecture designs, works construction inspection, and development of community subprojects in certain landscapes) will also be strengthened by outsourcing services to complement APN's capacities. Opportunities will be explored to simplify bureaucratic procedures to free the implementation from the burden of some administrative requirements that do not add value neither reduce risks.

88. **The combined fiduciary risk is rated Substantial**. The FM Assessment identified the following risks to the achievement of the PDO: The Project entails complex implementation arrangements, and the flow of funds is very complex including transfers to several SIE, including NGOs, public entities other than APN or private for-profit entities, and subprojects' beneficiaries. The following mitigating measures are designed to address the above risks: (i) preparation of an POM coupled with continued close support and supervision; (ii) the designation of specific FM staff within the CGP (FM coordinator, subprojects' coordinator, and additional staff/consultants as required to provide fiduciary support); (iii) fiduciary training specific to the WB's procedures for Project staff; (iv) annual audit of Project's financial statements following auditing standards and ToR acceptable to the WB; and (v) concurrent subproject audits.

89. **Overall Project environmental and social risk is rated Substantial, with environmental risk rated Moderate**

and social risk rated Substantial. The expected environmental impact of the Project is largely positive. Project financed activities are not expected to have significant adverse environmental risks or impacts on human populations or the environment. There are no impacts expected on physical, cultural, or archaeological sites. A National Historic Monument building from APN will be remodeled. However, social risks could arise from historic conflict regarding land tenure and affect implementation of some Project activities. Mitigation measures include the development of a thorough SEP, and ESMF and its associated instruments. APN will also strengthen its organizational structure and the CGP with qualified personnel and resources to support the management of environmental and social risks. Detailed environmental and social risks and mitigation measures are described in Section IV. D.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Argentina

Sustainable Recovery of Landscapes and Livelihoods in Argentina Project

Project Development Objectives(s)

To improve the management and resilience of ecosystems and related livelihoods of local communities in selected conservation and production landscapes and seascapes

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
PDO							
1. Increased management effectiveness of Protected Areas within selected landscapes and seascapes, disaggregated by type of PA and area (percent increase score) (Percentage)		0.00	0.00	3.00	15.00		30.00
Land area under sustainable landscape management practices (CRI, Hectare(Ha))		0.00	0.00	1,000.00	430,000.00	640,000.00	860,000.00
2.A. Landscape area with improved climate resilience, disaggregated by type of practice (Productive or conservation) and		0.00	0.00	1,000.00	150,000.00	250,000.00	310,000.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
landscape (Hectare (Ha)) (Hectare(Ha))							
3. People in targeted landscapes with increased benefits (disaggregated by gender, indigenous) (Number)		0.00	0.00	500.00	5,000.00		15,000.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component 1							
1.1. Key Infrastructure Climate Resilient in PAs (Number) (Number)		0.00	0.00	2.00	11.00	19.00	19.00
1.1.A. Key Infrastructure Climate Resilient in PAs in subtropical forests of the Yungas and Chaco ecoregions (Number) (Number)		0.00	0.00	2.00	5.00	13.00	13.00
1.2. People participating in consultations on planning and management of targeted landscapes (number) (disaggregation by landscape, women and indigenous). (Number)		0.00	50.00	750.00	1,250.00	1,750.00	2,500.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component 2							
2.1. Land area under restoration (Hectare (Ha)) (Hectare(Ha))		0.00	0.00	1,000.00	150,000.00		310,000.00
2.1.A. Land area under restoration in subtropical forests of the Yungas and Chaco ecoregions (Hectare (Ha)) (Hectare(Ha))		0.00	0.00	200.00	40,000.00		87,000.00
2.2. Farmers adopting agroecological agricultural practices (number) (disaggregated by poor) (Number)		0.00	0.00	0.00	900.00	1,400.00	1,800.00
2.3. Area under sustainable forest management (Hectare (Ha)) (Hectare(Ha))		0.00	0.00	0.00	140,000.00	230,000.00	290,000.00
2.3.A. Area under sustainable forest management in subtropical forests in the Yungas and Chaco ecoregions (Hectare (Ha)) (Hectare(Ha))		0.00	0.00	0.00	80,000.00	120,000.00	160,000.00
2.4. Share of community development subprojects (under subcomponent 2.1) approved for financial and technical support implemented by organizations led by rural women (Percentage)		5.00	0.00	5.00	10.00		15.00
2.5. Difference in the share of		6.20			4.60		3.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
men and women with greater monetary benefits resulting from the Project (Percentage)							
2.6. Change in time that women beneficiaries of subprojects spend on unpaid domestic/care work (Percentage) (Text)		0.00	0.00	0.00	0.00	-5.00	-15.00
Component 3							
Net greenhouse gas (GHG) emissions (CRI, Metric tons/year)		0.00	0.00	400.00	600,000.00	900,000.00	1,200,000.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
1. Increased management effectiveness of Protected Areas within selected landscapes and seascapes, disaggregated by type of PA and area (percent increase score)	The indicator will measure the change in the average management effectiveness score of intervened terrestrial and marine protected areas as a score. The target value is an increase of 30%. It will be disaggregated by type of	Biennial	https://sib.gob.ar/meg	Current MEG index will be used. The MEG tool estimates the management level of the PA system on each unit on an annual basis. The results refer to the previous year, and assessment is carried	CGP M&E function

	Protected Area. Management effectiveness will be measured using annual APN Management Effectiveness Assessment (MEG, for its Spanish acronym). MEG is a tool that measures the level of management reached by a protected area as compared with a pre-defined optimum scenario. The goal of the measurement is to improve conservation and management at protected area unit and system level (Hockings et al. 2002). The optimal scenario is referred to the best management status that a protected area must have in order to develop its activities and achieve its conservation objectives. The MEG tool was developed following the Framework for the Assessment of Management Effectiveness (Hockings et al. 2002). Resilience: This indicator			out during the first quarter of the following year. For this indicator, MEG will be measured as a subtract of the criteria. A quick query to the Management Effectiveness Measurement Database (MEG) computerized and nested in the (Biodiversity Information System) SIB, of APN [https://sib.gob.ar/meg /], will show the annual average of progress for the project as a whole or for actions / PA that will be reported annually, year overdue. Although the information is not public, the application forms and verification sources could be provided as they would bring objectivity to the assessment. The baseline comes	

	contributes to the absorptive capacity of ecosystems through an improved management of non-climate threats.			from a 2020 assessment performed for the purpose of this indicator.	
Land area under sustainable landscape management practices	The indicator measures, in hectares, the land area for which new and/or improved sustainable landscape management practices have been introduced. Land is the terrestrial biologically productive system comprising soil, vegetation, and the associated ecological and hydrological processes; Adoption refers to change of practice or change in the use of a technology promoted or introduced by the project; Sustainable landscape management (SLM) practices refers to a combination of at least two technologies and approaches to increase land quality and restore degraded lands for example, agronomic, vegetative, structural, and management	Annual	Project and activity records, and GIS backed field surveys. Technical inspection after completion of works.	The PIT will monitor the implementation of SLM practices through project interventions in each landscape. Sustainable landscape management practices will be reported through the regional staff or directly by the beneficiaries. The implementation will be verified through technical inspection at field level.	CGP

	measures that, applied as a combination, increase the connectivity between protected areas, forest land, rangeland, and agriculture land.				
2.A. Landscape area with improved climate resilience, disaggregated by type of practice (Productive or conservation) and landscape (Hectare (Ha))	This is a sub indicator from 2. It subtracts the area subject to landscape management practices that improve resilience. Specifically, it includes practices (1), (2), (6), (7), (9), and (12). It reports to PROGREEN indicator: Landscapes with improved climate resilience (ha). The target value attributable to PROGREEN is 87,000 ha.	Same as 2	Same as 2	Same as 2	Same as 2
3. People in targeted landscapes with increased benefits (disaggregated by gender, indigenous)	This indicator measures the number of beneficiaries who see an increase in livelihood-related benefits as a result of the project. Benefits include monetary (e.g. Sales from sustainable businesses) and/or non-monetary (e.g., access to water, firewood, or other	Biennial	Livelihoods survey at field level	This indicator will be measured through sample-based survey prepared. The survey will be combined with other documents such as field reports.	CGP M&E function

	ecosystem services, among others) benefits derived from the project, including from subprojects, or training programs to access green jobs. It includes a disaggregation by gender, and indigenous population. Resilience: This indicator contributes to local communities' adaptive capacity by increasing access to ecosystem-based livelihoods. Intermediate result in 2025 of 5,000 (50% women, 55% indigenous) End target in 2027 of 15,000 (50% women, 55% indigenous)				

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
1.1. Key Infrastructure Climate Resilient in PAs (Number)	This indicator will measure the number of resilient	Annual	Records of works with	Each work with provisional reception	CGP M&E function

	infrastructures built or revamped on PAs by this project; these may include at least one climate-related technology such as bioclimatic infrastructure, renewable energy, energy efficiency, water reuse or recycling, among others. A sub indicator measures this indicator for subtropical forests. This indicator reports to PROGREEN Pillar 3 indicator Key Infrastructure Climate Resilient (Number). The target value attributable to PROGREEN is 13. Resilience: This indicator contributes to the absorptive capacity of management, and in consequence to an improved management of non-climate threats to biodiversity.		Provisional reception Certificate. Technical inspections at completion of works.	will have a check list that reports on the attributes met to be considered climate resilient. This check list will be prepared based on: IRAM Standard #11.603 of Bio-environmental Classification of the Argentine Republic, which establishes a framework of reference to respond to the characteristics of the site through bioclimatic design and construction strategies, adapted to the climate, topography and biome of the implantation territory; and IRAM Standard #11605, which establishes the Hygrothermal Comfort Levels, maximum values of thermal transmittance for summer and winter for each bioclimatic zone.	

1.1.A. Key Infrastructure Climate Resilient in PAs in subtropical forests of the Yungas and Chaco ecoregions (Number)	This is a sub indicator of indicator 1.1 that disaggregates results for subtropical forests in Yungas and Chaco.				
1.2. People participating in consultations on planning and management of targeted landscapes (number) (disaggregation by landscape, women and indigenous).	The indicator will measure the number of people involved in consultations for improved landscape governance arrangements as part of the project interventions. Improved landscape governance are all arrangements for landscape-scale management of natural resources that included broad participation of local communities. Integrated landscape management will be developed and implemented with feedback from beneficiaries. The target value considers the participation of, at least, one representative of each institution identified in the Stakeholder Engagement Plan.	Annual	Project and activity records. Plans.	The indicator will be measured through records of participatory processes.	CGP M&E function

2.1. Land area under restoration (Hectare (Ha))	This indicator will report on the area subject to invasive species control projects from subprojects, which will contribute to the natural recovery of the native vegetation and ecosystems. A sub indicator reports on the area of subtropical forests. Restoration is understood by Argentina as “actions taken to recover the functions, structure and composition of an ecosystem to a given estate, equivalent to conditions previous to perturbations”. The management of exotic species is done through a comprehensive approach that encompasses prevention, eradication, control, and mitigation. These activities contribute to the recovery of sites or areas degraded by the effect of biological invasions if necessary to allow natural restoration. Only activitis that are approved by the	Y2, Y3 & Y5	Final reports of exotic species control campaigns Direct observation Field surveys	The indicator will be assessed by estimating the total area (hectares) in which subprojects for controlling invasive species for ecological restoration are implemented. Only the additional area covered by project activities will be considered. The implementation of these will be confirmed in years three and five.	CGP M&E function

	National Conservation Directorate will be considered, and those that align to plans prepared by project activities will be prioritized. The "Strategic Guidelines for the Management of Exotic Species in the Administration of National Parks" (Resolution HD No. 172/2007) will be applied. This indicator contributes to PROGREEN Pillar 1: Land area under restoration (ha). The target value attributable to PROGREEN is 87.000 ha. Resilience: This indicator contributes to the absorptive capacity of ecosystems by reducing the threat from invasive species.				
2.1.A. Land area under restoration in subtropical forests of the Yungas and Chaco ecoregions (Hectare (Ha))	This is a sub indicator of indicator 2.2 that disaggregates results for subtropical forests in Yungas and Chaco.	Same as 2.1	Same as 2.1	Same as 2.1	Same as 2.1
2.2. Farmers adopting agroecological agricultural practices (number) (disaggregated by poor)	The indicator measures the number of farmers that adopt agroecological	Annual	Field survey	Adoption of agroecological agricultural practices	CGP M&E function

	production technologies and approaches as a result of subprojects. Agroecological agricultural practices are defined as per FAO's Agroecological handbook (https://focusweb.org/wp-content/uploads/2017/04/Agriculture-Science_0.pdf). Adoption will be assumed as the use of agroecological production technologies and approaches for at least one productive cycle after the implementation of the subproject. This indicator reports to PROGREEN Pillar 2 indicator: Farmers adopting agroecological agricultural practices (number) (disaggregated by poor). The target value attributable to PROGREEN is 700. Resilience: This indicator contributes to local communities' adaptive capacity through agroecological practices that are less vulnerable to climate changes. It also			will be measured based on the results of the implementation of subprojects and assessed as an area (hectares). This information will be obtained from field surveys and project reports prepared by extensionist on the ground. Only practices implemented through activities financed by the project will be considered.	

	contributes to ecosystems' absorptive capacity by reducing the impacts of unsustainable agricultural practices.				
2.3. Area under sustainable forest management (Hectare (Ha))	This indicator measures the area under sustainable forest management based on the implementation of new practices (such as fire management, intercropping with trees, alley cropping with trees, improved tree/bush fallows, shelterbelts, hedgerows, parklands, multistory cropping) and or sustainable forest management plans. This indicator contributes to PDO Indicator 2 and reports to PROGREEN Pillar 1 indicator: Area under sustainable forest management (ha). The target value attributable to PROGREEN is 160.000 ha. Resilience: This indicator contributes to local communities' absorptive capacity through practices	Annual	Field survey	Adoption of sustainable forest management practices will be measured based on the results of the implementation of subprojects and assessed as an area (hectares). Certified management standards will be encouraged and reported.	CGP M&E function

	that reduce risks from climate changes (i.e. fires, droughts). It also contributes to ecosystems' absorptive capacity by reducing the impacts of unsustainable forestry practices.				
2.3.A. Area under sustainable forest management in subtropical forests in the Yungas and Chaco ecoregions (Hectare (Ha))	This is a sub indicator of indicator 2. that disaggregates results for subtropical forests in Yungas and Chaco.	Same as 2.3	Same as 2.3	Same as 2.3	Same as 2.3
2.4. Share of community development subprojects (under subcomponent 2.1) approved for financial and technical support implemented by organizations led by rural women	This indicator measures the percentage of women involved in the application, design, management, and implementation of subprojects. The indicator reports to the project's Gender Action Plan. This indicator reports to PROGREEN Pillar 1 indicator: Women and youth with increased benefits from landscape-based value chains (number)	Biennial	Subproject reports, site visits	Each organization applying for a grant to implement a subproject will submit the information on its Legal Status, governance structures and a list of authorities. From such information the top decision-making roles within organizational structures will be identified (e.g., president, executive director, manager, legal representative, etc.) and the share of organizations with	CGP

				women assigned to the highest-level decision-making roles (president or similar) benefitting from grants for community subprojects implementation will be determined. The fact that a woman formally occupies a high-level role in an organization is assumed to mean that such woman can better influence the decision making during the design and implementation of the community subproject.	
2.5. Difference in the share of men and women with greater monetary benefits resulting from the Project	The indicator is a disaggregation of PDO Indicator 3 to report to the Gender Action Plan of the project. It shows the difference in the proportion of women versus men who benefited from project activities.	Y3 & Y5	PDO Indicator 3	The results achieved will be measured by processing data from the PDO indicator that measures “Beneficiaries in specific landscapes with greater benefits”, which would be disaggregated by monetary / non-monetary and by	CGP

				gender. To calculate the gap, the percentage of female beneficiaries receiving monetary benefits would be compared with the percentage of male beneficiaries receiving monetary benefits. Formula: [Proportion of men with monetary benefits from the project / total men beneficiaries from the project] - [Proportion of women with monetary benefits from the project / total women beneficiaries from the project]	
2.6. Change in time that women beneficiaries of subprojects spend on unpaid domestic/care work (Percentage)	The indicator measures the contribution of the project to reducing the time spent by women on unpaid activities and reports to the Gender Action Plan for the project. It is expected to reduce at least 2 hours over a baseline of 14 hours per week that will be define	Y4 & Y5	Beneficiary surveys	Ex-ante vs. ex-post comparison of results from socio-economic survey conducted to a representative sample of women benefitting from Type A subprojects through investments in goods, infrastructure and/or,	CGP

	through surveys.			access to basic services (such as water and energy for consumption and production). Question to be included in the survey: *On average, how many hours do you work in unpaid tasks per week?*	
Net greenhouse gas (GHG) emissions	Project net greenhouse gas (GHG) emissions are calculated as an annual average of the difference between project gross (absolute) emissions aggregated over the economic lifetime of the project and the emissions of a baseline (counterfactual) scenario aggregated over the same time horizon. They are reported in metric tons of carbon dioxide equivalent per year.	Annual	Field observations and reports, complemented with remote sensing observations.	Proxy estimations based on area changes regarding different land use and vegetation cover categories cover.	CGP M&E function

ANNEX 1: Detailed Project Description

1. **The Project will be implemented in 13 landscapes and seascapes that are especially vulnerable to climate change, across eight selected ecoregions.** The selected landscapes are spread across eight ecoregions, representing most of the country's biomes (Yungas Rainforest, Gran Chaco Forests, Patagonian Forests, Sierras and Bolsones hills, Parana River Delta and Islands, Patagonian Steppe, Argentine Sea). Within the selected landscapes and seascapes, natural PAs – key sources of ecosystem services – are connected with production lands that are still mostly dominated by natural ecosystems.

2. **This Project will promote an integrated landscape/seascape management approach for greater climate resilience across the selected landscapes**. The above-referred landscapes and seascapes are subject to biodiversity corridors strategic plans, biosphere reserves and Ramsar sites management plans, river basin management plans, forest-land use zoning, among others. Such landscape/seascape level plans existing or foreseen landscape/seascape level planning, developed through diverse instruments and approaches such as will guide the spatial and thematic prioritization of Project investments. Their governance structures (e.g. local committees, socio-territorial roundtables, private-public decision-making bodies, Ramsar and Biosphere Reserves committees) will be used as platforms to coordinate Project intervention strategies with local stakeholders. Likewise, and noting the critical role that land plays in the climate system and the ways in which sustainably managing land resources can help address climate change, lack of climate change considerations in SLM approaches poses a significant challenge to climate action. Rural communities depend heavily on natural resources but lack the skills and incentives to adopt best productive management practices that foster value addition and green jobs. More resilient and sustainable practices such as agroecology; agroforestry; regenerative cattle raising; and construction of energy-efficient and resilient infrastructure, have proven to be job multipliers and can help generate income and reduce GHG emissions. A clear opportunity also lies in nature-based tourism, a sector that could create up to 300,000 jobs in Argentina, boost incomes, benefit local economies, and increase GDP.[49] Given the expected climate change impacts on the ecosystems and the dependency of these communities on them, implementing these practices and diversifying the livelihoods of rural populations, is critical to strengthening their climate resilience.

3. **Connectivity of PAs (through landscapes/seascapes) will be sought to increase the resilience and conservation of ecological functions and processes throughout linkage zones** (e.g., by enhancing the permeability of production areas to biodiversity flows, adopting better management practices in productive activities). Key value chains for resilient products and services based on natural assets sustainably managed will also be strengthened and upscaled across the selected landscapes/seascapes, seeking to increase the benefits derived from them by the local communities. Special attention will be paid to increasing economically and climate-vulnerable group's income and capacities to access green jobs. The combination of both strategies across the selected landscapes will increase the resilience of the ecosystems, productive systems and households involved.

Project components

4. **Component 1: Improved Climate Resilience and Management of Selected Conservation and Production Landscapes and Seascapes (US$40.72 million, of which: US$29.62 million International Bank for Reconstruction and Development (IBRD), US$8.10 million PROGREEN, and US$3 million Government).** Aiming at improving ecosystem management and resilience, average management effectiveness will be increased in terrestrial, marine, coastal-marine and marine inter-jurisdictional PAs and four Biosphere Reserves functioning as core sources of ecosystem services across the selected landscapes and seascapes.

5. **Sub-component 1.1. Strategic analyses and participatory planning for managing ecosystems in selected**

[49] Ibid.

landscapes and seascapes focused at addressing climate vulnerability (US$7.82 million, of which: US$6.72 million IBRD, and US$1.10 million PROGREEN). It will finance production of analytical and knowledge products to inform Project intervention strategies and focus Project implementation on delivering results in terms of the PDO. These include climate vulnerability studies and resilience development plans at the landscape level; executive and detailed architectural or engineering designs for climate-resilient and energy-efficient infrastructure; tourism carrying capacity assessments; market and value chain analyses and business plans for resilient and low-carbon ecosystem-based goods and services; training programs for green jobs; gender informed distributive analyses; among others. Biodiversity and/or social baselines will be developed or updated to guide decision making in new PAs or land or seascapes. In particular, Marine PAs baselines will be developed through oceanographic research campaigns involving inter-institutional and scientific collaboration (e.g., National Army, Argentine Navy, Ministry of Science, Technology and Innovation, etc.).

6. **This Sub-component will finance consultancy services and costs related to public consultations and stakeholder engagement (e.g., travel and workshops) for the development of analytical and knowledge products to provide data, evidence and guidelines for increased resilience and SLM.** Territorial development or land-use plans (e.g., conservation corridors), PA management plans, and other sectorial or thematic plans (e.g., tourism development plans, exotic species management, ecological restoration, commercial fishing, marine spatial plans, fire management, etc.) will be developed through consultations with local communities and governance bodies, which will receive and produce information about the climate-related risks and vulnerabilities in their landscapes. Marine research campaigns to gather oceanographic and biological data to support the management of the selected seascapes will also be financed under this sub-component and will be implemented through an inter-institutional agreement to be signed between National Park Administration (APN, *Administración de Parques Nacionales*) and the CONICET. Overall, plans and studies will be targeted at increasing landscape-scale connectivity (by increasing permeability of different land-use patches) and identifying value chains that maximize benefits for local communities (particularly women), considering projected climate change impacts and ways of reducing them. Together, these interventions increase the resilience of natural resource-based livelihoods in the selected landscapes.

7. **Through workshops and communication actions, this sub-component will also facilitate participatory planning at the landscape level and adoption of ILM approaches by coordinating stakeholders and various Project intervention strategies to maximize impact and strengthen governance at the landscape level**. Planning instruments at the site and landscape level will also be prepared through participatory consultations. PAs, landscape development or management plans (e.g., biosphere reserve or corridors) and other thematic management plans (public use, tourism, exotic species, ecological restoration, commercial fishing, fire management, business plans for ecosystem goods and services use, training for green jobs, etc.) will be developed.

8. **Sub-component 1.2. Strengthening technical capacities and knowledge of public servants (US$1.06 million IBRD).** PA systems' agents will increase their competences for implementing ILM approaches. This sub-component will be implemented by the CGP through a dedicated specialist. The selection of the staff from APN that will receive scholarships for postgraduate education will be made by an evaluation committee.

9. **Thirty Specialization and 10 Masters scholarships will be awarded among APN staff**. Beneficiaries will be selected through a competitive process to receive scholarships of up to US$4,000 each, which will finance the tuition and co-finance travel and per diem expenses of postgraduate studies. Beneficiaries will be required to continue working for APN for at least two years after completion of the postgraduate studies, and at least for the number of years required to complete the postgraduate course for which the scholarship was awarded, including their thesis or final work. Further details on eligibility criteria for selection of specialization and master courses, national academic institutions that will deliver them, and beneficiaries will be included in a scholarships manual to be annexed to the POM.

10. **Fifteen applied research subprojects will be funded.** The teams in charge of their implementation will include at least 300 staff from APN, 24 from provincial agencies and 70 researchers from the national R&D system, to build capacities among public servants through hands-on field training. Considering the eligibility and prioritization criteria to be included in the POM and the information and landscape-level plans produced under sub-component 1.1, applied research subproject proposals from research teams will be selected in a competitive process to receive up to US$56,000 of funding or co-funding. Their alignment with the PDO and their contribution to closing knowledge gaps in relation to the links between climate vulnerability, ecosystem management, and rural livelihoods will be particularly considered when selecting subprojects to be funded. APN will sign agreements with national research institutions that will act as SIEs for the purposes of ensuring proper technical and fiduciary subproject implementation and accountability. Applied research subprojects will be financed as actuals, and funds will be transferred to the entities that submitted the selected projects. Detailed guidelines, criteria and mechanisms for subproject selection will be included in the POM.

11. **Applied research subprojects will produce relevant knowledge to guide landscape management and other Project intervention strategies**, especially regarding climate change, biodiversity and natural resources conservation, cultural heritage conservation and landscape development (e.g., testing new methods for exotic species control; gathering evidence on the effect of ILM on livelihoods and biodiversity indicators; etc.).

12. **Sub-component 1.3. Building resilient and low emissions infrastructure to support nature-based tourism (US$31.84 million, of which: US$21.84 million IBRD; US$7.00 million PROGREEN and US$3 million Government).** This Sub-component will invest in meteorological stations, emergency response facilities, key access roads and telecommunications networks, logistics and administrative buildings, tourist facilities, rangers' houses, and other ancillary facilities designed with a resilience lens and low-carbon building standards. Financing of works identified in existing climate adaptation, landscape, and sectoral planning documents (e.g., Chaco Corridor Strategic Plans, etc.) will be prioritized. Construction and maintenance work within PAs will provide income opportunities for, at least, 1,300 community members. Overall, approximately 5,300 m2 will be built or revamped across the selected landscapes. Over half (55 percent) of the buildings will be related to the public use of PAs to improve climate resilience of tourist services, and their quantity and quality, mostly by improving accessibility (e.g., visitor center, interpretation center, camping, docks, bridges, restrooms, etc.). The remaining 45 percent of the infrastructure will be used to control and surveil the PAs (operational use, administrative headquarters, and housing), to improve ecosystem management. To increase climate resilience, the infrastructure will be designed for the specific characteristics of each site through bioclimatic design and construction strategies, adapted to the climate, topography, and biome.

13. N**ew equipment will be acquired to sustain significant and measurable improvements in the effectiveness of the management of PAs, to complement the infrastructures to be built and strengthen other investments planned within the framework of this Project.** Equipment will include housing or office modules, sanitary modules, photovoltaic equipment, all-terrain vehicles -motorcycles, quadricycles, boats, fire control equipment (tanks, fire trucks, clothing), drones, GPS, weather stations, computer equipment, technological equipment, etc. Bidders on such works will be required aim to recruit and train their workers locally. Green building standards, defined in the POM, will be applied in establishing terms and conditions to design, construct and renovate infrastructure.

14. **The CGP will procure consulting and construction services for infrastructure projects and purchase of equipment through competitive processes.** Knowledge from sub-component 1.1 will inform prioritization of works and equipment to be procured. Types of infrastructure and equipment to be financed will be specified in the POM.

15. **Component 2: Promoting Sustainable Livelihoods Across Selected Landscapes (US$13.97 million, of which: US$11.15 million IBRD and US$2.82 million PROGREEN).** This component will mainly help improve livelihoods and resilience of local communities (small producers, including fisherfolks, and their families). It

aims at increasing monetary and non-monetary benefits they derive from productive lands or sea, productive diversification, value addition to sustainable production and services and commercial management. Competency-based training programs will be delivered to local communities, to strengthen community planning capacities (with special focus in women participation in decision making process), to develop income alternatives, multiply income and to improve their capacities to create and/or access green jobs.

16. **Sub-Component 2.1: Developing income opportunities for local economically and climate-vulnerable communities through resilient and sustainable use of native ecosystems´ goods and services, value adding and trading (US$11.82 million, out of which US$9.51 million is from IBRD; and US$2.31 million is from PROGREEN).** The community driven investments will align farm-level or fishery-level production with responsible sourcing and quality requirements, for instance by designing efficient business models and reaching out strategic markets for climate-smart and/or biodiversity-friendly products and services. Beneficiaries will be provided with the necessary infrastructure and equipment to improve their capacities for sustainable production and value-addition, enhance commercial competitiveness and facilitate links and access to profitable markets. Sub-component investments will be prioritized in production landscapes and seascapes that are most vulnerable to climate stressors, such as those subject to degradation and under pressure by land-use and marine-use change.

17. **Project investments will be channeled through three types of CDD instruments**: a) Sustainable Use Subprojects (SUS, or Type A); b) Value Chain Development Subprojects (VCS, or Type B) and c) Market Access Subprojects (MAS, or Type C). The main differences between these rural development tools are the vulnerability and organization level of beneficiaries; the main purpose of the subproject (which will result in monetary and/or non-monetary benefits for local communities from ecosystem services); the need for basic services; the focus on market access; the focus on public-private agreements; the number of beneficiaries involved; the differential emphasis on vertical and horizontal integration; the weighing of demand and the requirement for establishing partnerships, among others. It is expected that at least 15 percent of the subprojects will be executed by organizations led by women.

18. **SUS (Type A) will aim at increasing non-monetary benefits that increase the resilience of vulnerable non or poorly organized local communities, while improving ecosystem management and increasing the area of selected landscapes or seascapes that are under better management practices.** These Subprojects are local-level planning tools designed and implemented by communities, in coordination with relevant authorities and with expert technical assistance. They will finance construction of rural communal infrastructure, acquisition of equipment or supplies, provision of services, training and/or technical assistance to establish sustainable production practices (e.g. reforestation and environmental restoration, enrichment, fencing, bush thinning, construction of artificial ponds, local micro-irrigation schemes, integrated pest management), or for improving sustainable productive initiatives (e.g., beekeeping, forest management, regenerative livestock management, agroecology, fishing, aquaculture and handcrafts). They could also finance small works and equipment to increase access to selected basic services (e.g., water collection systems, home gardens, efficient stoves).

19. **VCS (Type B) will aim at increasing monetary and non-monetary benefits of climate-vulnerable organized communities, their capacity to adapt their livelihoods to changing climate conditions, and the value addition to primary products or services, while improving ecosystem management.** Existing sustainable use initiatives and low-carbon value chains will be strengthened and expanded. Aiming at consolidating local and regional sustainable development alternatives, investments in small infrastructure, equipment, supplies will be financed to support the transformation (industrialization), fractioning and packaging of products. Additionally, technical assistance and legal advice will be financed to support business planning, branding and marketing of by-products and services; as well as horizontal and / or vertical integration of beneficiaries and experiences of production and commercialization, along the value chains of

ecosystem-based goods and services. Pointing at increasing the scale of the impact (in terms of the PDO) and the sales from local producers with consolidated surpluses, environmentally friendly products and services (i.e., those that avoid the loss of biodiversity and promote the conservation of the ecosystems) will be prioritized through criteria to be included in the POM.

20. **MAS (Type C) will aim at increasing the monetary benefits of organized local producers and communities derived from the environmental goods and services, and their livelihood's transformative and adaptive capacities (resilience) for addressing climate changes; with a higher (at least double or triple) impact, scale, resilience and sustainability as compared to other types of subprojects.** Priority ecosystem-based value chains (tourism, honey, textile, fisheries, etc.) will be identified during the first year of the Project and technical assistance will be financed to promote the development and signature of private-public or private-private commercial agreements. They will be boosted and scaled-up, by means of investments that encourage and trigger either public and private finance and increase the impact in terms of the PDO. The adoption of technological solutions related to production processes, value addition and commercialization will be financially supported within the framework of the signed agreements, with the perspective of consolidating and expanding inclusive and innovative production, and the commercialization circuits of products and / or services from productive systems that are resilient, low-carbon, and promote the conservation of the ecosystems (e.g. those that are efficient at the use of energy and natural-resources). During the second year, five pilot subprojects will be implemented in different landscapes in order to test the results.

21. **The CGP will offer public competitive processes adapted to the characteristics of each landscape, which will be informed by committees of local stakeholders.** Some types of activities (e.g., those related with indigenous communities) may have open windows to present proposals as specified in the POM. Proposals received will be evaluated by an ad-hoc committee of experts, based on selection, prioritization, and exclusion criteria detailed in the POM for each type of subproject. For the subprojects that are selected, funds will be transferred to the SIEs specified in the application, which may be NGOs; or private for-profit entities in the case of Type C Subprojects. SIEs will provide in-kind, labor, and/or cash co-financing for the subprojects, as defined in the POM. Subprojects Type A will finance up to US$45,000 and require co-financing (in-kind, labor, or cash) of at least 20 percent of the total subproject amount provided by APN; subprojects Type B will finance up to US$100,000 and require co-financing (in kind, labor, or cash) of at least 20 percent of the total subproject amount provided by APN; and subprojects Type C will finance up to US$200,000 and require co-financing (only in cash) of at least 40 percent of the total subproject amount provided by APN. All types of subprojects will be financed as actuals.

22. **Sub-component 2.2. Training vulnerable population to build capacities for accessing and creating green (resilient and low carbon) jobs (US$2.15 million, out of which US$1.64 million is from IBRD; and US$0.51 million is from PROGREEN).** With the purpose of improving vulnerable local community´s capacities and competences to create and/or access green jobs, as a contribution to improving their livelihoods, 2,225 people will be trained, upskilled or re-skilled in traditional sectors (e.g., tourism, agriculture, livestock, fisheries, forestry, building, manufacturing, etc.) or emergent sectors (e.g. clean energy sources, ecological restoration, exotic species control, etc.). Competences to be strengthened through this sub-component include forest sustainable harvesting, carpentry, forests inventory, chainsaw operation, wildfire fighting, installation and maintenance of energy generation equipment from renewable sources, integrated pest management, reforestation, customer service for tourism and hospitality, business planning, etc. Trainings will also be targeted at building capacities for the implementation of subprojects under sub-component 2.1.

23. **The activities under this sub-component will be planned annually and according to landscape.** Selection of the types of green jobs for which trainings will be offered will be prioritized based on the local context as specified in the POM and informed by analytical products and participatory planning conducted under sub-component 1.1. Trainings will be offered by APN staff or may be hired to expert consultants. The

trainings to be offered will be advertised in each landscape, and people interested in participating will be selected based on prioritization criteria defined in the POM.

24. **Component 3: Project Management, Monitoring, Evaluation (US$5.31 million, of which: US$4.23 million IBRD and US$1.08 million PROGREEN).** No additional information.

ANNEX 2: Implementation Arrangements and Support Plan

Procurement

1. **A procurement capacity assessment of the CGP at the APN was carried out by the WB to review mainly the organizational structure for implementing the Project, and the experience of the existing procurement staff.** As a result, it was concluded that the current staff counts on experience implementing Bank's financed projects under the previous Procurement and Consultant Guidelines and particularly on the type of procurement expected under the Project, based on the knowledge from the ongoing operation. Nonetheless, there were risks identified associated with the increasing workload that this operation will demand and the use of the Bank's Procurement Regulations. The implementation arrangements also include the execution of subprojects with minor procurement. The specific arrangements for these activities as well as its monitoring will be described in the POM.

2. **Based on the results of the capacity assessment, the following actions are recommended to reduce the identified risks and facilitate Project implementation**: (i) strengthen the procurement team with additional support to the procurement coordinator to address the increasing workload that the operation will demand; (ii) implement fit-for-purpose procurement arrangements based on lesson learnt from the ongoing operation to enable efficiency giving the number of low/medium value activities and its implementation on isolated locations; (iii) use of the national e-procurement system (which has been approved by the Bank), unless otherwise specified in the Procurement Plan, for the procurement of goods and non-consultant services up to the threshold of national approach; (iv) carry out a procurement training on the Regulations once the procurement staff structure is in place; and (v) include the arrangements for the subprojects in the POM, including an enunciative list of what the subprojects will be able to procure with the resources of the Project. For these subprojects, an agreement/contract must be signed based on the nature of the entity including the responsibilities, costs and guarantees based on the model determined in the POM. All the instruments for these subprojects must be agreed with the Bank before its implementation.

3. **The CGP has prepared a PPSD using a short form giving the scope of the activities, identifying the procurement arrangements that will support the delivery of processes while efficiently achieving the PDO.** Activities planned under the Project at this stage include primarily low risk and low value processes and the analysis has taken into consideration lessons learnt from the ongoing operations as a primary input to define procurement arrangements. Based on such analysis, the activities foreseen at this stage will include the procurement of works, goods and services through Requests for Bids and Requests for Quotations with National Approach, as well as the selection of consultancy services for minor activities through quality and cost and consultant´s qualifications selection methods. Besides, given the number of activities of low/medium cost that are envisaged for different isolated locations, the CGP has analyzed the most suitable arrangements to enable participation on procurement processes as well as efficiency in implementation, (e.g. processes including a group of small works or goods to be implemented in the same region or dates, consulting services for similar studies to be implemented in different dates and locations).

4. **The CGP has prepared a Procurement Plan for the activities expected to be carried out during the first 18 months.** The rest of the activities will be added to the Procurement Plan once they are defined by the technical areas and any updates on the Procurement Strategy will be reflected during Project implementation The WB's Standard Procurement Documents will govern the procurement of WB-financed Open International Competitive Procurement. For procurement involving National Open Competitive Procurement, the borrower may use documents agreed with the WB.

5. **Based on the above, the overall Project risk for procurement is Moderate.**

Financial Management

6. **Introduction**. The CGP, within the APN, will be responsible for the FM functions for the Project.

Furthermore, CGP will be responsible for the FM functions of the PROGREEN grant as well. The FM Assessment[50] determined that the FM arrangements in place at the CGP are acceptable to the WB.

7. **Risk Assessment and Mitigation**. The FM Assessment identified the following risks to the achievement of the PDO: The Project entails complex implementation arrangements, and the flow of funds is very complex including transfers to several SIEs, including non-government organizations (NGOs), public entities other than APN or private for-profit entities, and subprojects' beneficiaries. The following mitigating measures are designed to address the above risks: (i) preparation of a POM coupled with continued close support and supervision; (ii) the designation of specific FM staff within the CGP (FM coordinator and subprojects' coordinator together with the hiring of additional staff/consultants as required to provide additional fiduciary support); (iii) Project staff will undergo fiduciary training specific to the WB's procedures; (iv) annual audit of Project's financial statements following auditing standards and ToR acceptable to the WB; and (v) the performance of concurrent subproject audits.

8. **The Project's FM risk is rated as Substantial, and the combined fiduciary risk is also Substantial.**

FM arrangements and assessment

9. **Organization and Staffing**. The CGP has qualified FM staff who can undertake the Project's FM function. These FM professionals have experience in WB-financed Project's implementation[51]. Staff mapped to the CGP will always need to include an overall FM coordinator, responsible for ensuring that the Project's fiduciary obligations are met, that the Project's transactions are valid, accurate and completely captured, and acting as the main counterpart to the WB regarding FM and disbursement issues. Due to the increasing workload, CGP may need to hire other consultants to strengthen the FM area. Furthermore, CGP staff will always need to include a subproject coordinator because of the large number of subprojects to be included in the Project. In summary, CGP has a suitable organizational structure to ensure responsible Project management.

10. **Budgeting**. National budget formulation and implementation are guided by rules established by the National Constitution and the Financial Administration Law. The preparation of the annual budget, which integrates current and capital expenditures, is coordinated by the APN and follows a clearly defined calendar that is generally adhered to. The Federal Government's integrated budget and accounting Information Technology (IT) system, Integrated Financial Information System (e-SIDIF, *Sistema Integrado de Información Financiera)*, will be used for fulfilling the Project's budgeting and accounting needs. A separate budgetary line in APN annual budget will be required to allocate budgetary resources and keep track of the Project's execution specifying the sources of funds. The Project will rely on the Argentinian procedures for budget formulation and execution. The CGP will have the responsibility of preparing the specific budget for the Project and monitoring budget execution.

11. **Accounting**. The accounting module of the SIEs with External Financing information system (UEPEX, *Unidades Ejecutoras de Préstamos Externo*) and the e-SDIF accounting module will be used to record the Project's transactions.[52] The UEPEX system allows the CGP to record the Project's transactions in US dollars and in local currency, and provides a good ex-ante internal control framework, and it is considered adequate for accounting purposes. The CGP will be responsible for: (i) maintaining Project accounts using the Chart of Accounts (that is adequate, and can be adapted to properly account for, and report on, all the Project's activities) reflecting the Project categories, components, and source of funding; and (ii) producing the requisite annual financial statements following International Accounting Standards (IAS). The cash accounting basis will

[50] The assessment is conducted in accordance with the Bank Policy and Bank Directive on Investment Project Financing and the FM Manual for World Bank-Financed Investment Operations (effective March 1, 2010 and revised September 7, 2021).
[51] Rural Corridors and Biodiversity (P114294) Project (Active) and AR Sustainable Natural Resources Management – Part 3 (P100806) Project (Closed). The FM performance rating under P114294 is currently rated as Satisfactory and that of P100806 was rated as Satisfactory.
[52] UEPEX: Argentina budget execution and recording software for multi-lateral financed operations.

be used to maintain the Project's accounting records. The CGP will have access to the WB's Client Connection system for up-to-date information relating to the disbursement of the proceeds of the Loan (and Grant). The Project's accounting records in UEPEX will be reconciled regularly with this information. There are written policies and procedures covering all routine accounting and related administrative activities, and only authorized persons may change or establish new accounting principles, policies, or procedures. The accounting function is adequately staffed with experienced, qualified people.

12. **Internal Control and Auditing**. **It is concluded that internal controls framework in place for the CGP within APN is adequate and capable to carry out the Project's activities**. The internal control environment to be used for the Project is anchored in Argentina's legal and institutional framework and APN internal approval processes and systems (approval and authorization controls are in place and properly documented), that provide for reasonable segregation of duties, supervision, quality control reviews and reconciliation. CGP personnel understands the process flows. Internal controls relevant to the Project include arrangements to ensure that: (i) operations are conducted effectively, efficiently, and in accordance with relevant grant and loan agreements; (ii) financial and operational reporting is reliable; (iii) applicable laws and regulations are complied with; and (iv) assets and records are safeguarded. Fixed assets/inventories are also controlled, with regular asset/inventory counts, reconciled with control accounts and procedures in place to control disposal/sale of assets. The IT department of APN is well staffed with adequate personnel, and detailed procedures are in place to ensure the integrity of data that various IT systems capture, including daily back-ups of all data, in a secure off-site location.

13. **APN is subject to internal audit by the General Syndicate of the Nation (SIGEN)**, which is the Federal Government's Internal Audit Agency, under the jurisdiction of the Executive branch. SIGEN is an integral part of the Federal Government's internal control system and provides the following core services: (i) assess adequacy and effectiveness of the internal control system (internal audit of the Executive branch); (ii) supervise and coordinate actions of the various Ministries/Agencies' Internal Audit Units (IAUs) and approve their audit plans; and (iii) audit compliance of procurement processes and contracts. The IAU of APN conducts internal audits under the supervision of SIGEN. It is expected that this Project will be included in the IAU of APN's audit plan for review.

14. **The Project's internal control system will also be documented in the POM**, which will include descriptions, flow charts, policies, templates and forms, user-friendly tools, tips, and techniques to ensure that the approval and authorization controls continue to be adequate and are properly documented and followed with adequate safeguarding of Project assets. The POM will be prepared by the APN and be approved by the WB and be maintained/updated throughout the Project's life. The CGP bank account reconciliation will be prepared by someone from CGP who does not process or approve payments, and all unusual items on the bank reconciliation will be reviewed and approved by the FM coordinator, if applicable.

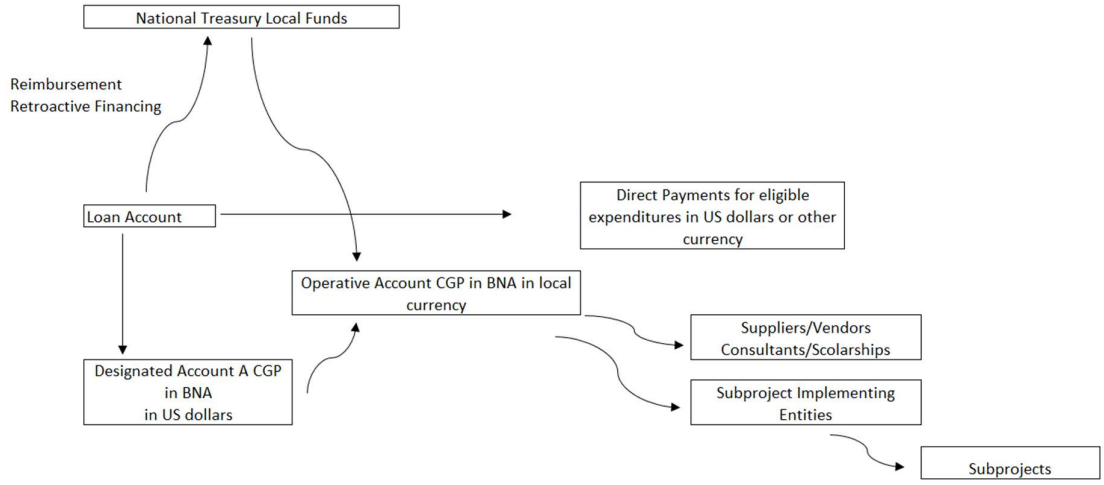
15. **All Project transactions will be processed within the e-SIDIF and accounting systems**, which enforces strict segregation of duties, controls preparation and approval of transactions to ensure that they are properly executed and recorded (different units or persons authorize the transaction and record the transaction), and guarantees the confidentiality, integrity, and availability of data. All accounting and support documents are retained in a secure location, using a physical system and an electronic system that allows for easy retrieval by authorized users.

16. **Flow of Funds and disbursement arrangements**. The primary disbursement method will be Advances. There are no Lapsed Loans. CGP will be also able to process Reimbursements and Direct Payments, if required. Figure A2.1 indicates the general flow of funds:

a) Loan funds will be transferred to a US dollars denominated Designated Account (DA-A) at the National Argentinian Bank (BNA, *Banco de la Nación Argentina*) under control of the CGP.

b) Another segregated bank account will be opened (CGP local currency operating account) in the BNA, in local currency, for the purpose of: i) receiving funds from the DA-A to pay for eligible expenditures to be paid to suppliers/vendors/subprojects (via SIEs) by CGP; and ii) receiving local funds from the National Budget.
c) Payment processes will be registered by CGP in the UEPEX and e-SIDIF systems.
d) The Interim Financial Reports (IFRs) (for financial reporting purposes and not disbursement purposes) and Statement of Expenditures (SOEs) will be prepared by CGP, with information available in UEPEX[53].
e) CGP (and APN) staff would request access to the WB's Client Connection webpage to perform the periodic reconciliation between its own registries and the Bank's disbursement records.

Figure A2.1. Flow of Funds for the loan



17. **Loan funds will be disbursed to the CGP in accordance with WB procedures** as stipulated in the Legal Agreement and in the Disbursement and Financial Information Letter (DFIL). Funds will be disbursed in respect of eligible expenditures incurred or to be incurred under the Project and in accordance with agreed-upon financing percentages. Use of loan proceeds (supporting documentation) should be documented with each Withdrawal Application (WA) in the form of SOE or Records.

18. **The proposed Fixed Ceiling for the DA-A will be US$4.5 million.** The Minimum Application Size for Direct Payment and Reimbursement WAs will be US$500,000 equivalent. This Minimum Application Size is not applicable for retroactive expenditures WA. The frequency for the presentation of eligible expenditures paid from the DA-A is at least once every three months.

19. **The Project Disbursement Deadline Date (final date on which the WB will accept WAs from the CGP or documentation on use of Loan proceeds already advanced by the WB) will be four months after the Loan Closing Date.** This "Grace Period" is granted to permit orderly Project completion and closure of the Loan Account via the submission of WAs and support documentation for expenditures incurred before the Closing Date.

20. **Subproject disbursement arrangements for Applied Research Subprojects under sub-component 1.2 (Category 6) and Community Driven Development Subprojects (Categories 2 and 4) under sub-component**

[53] The General Conditions require the Borrower to retain all records (contracts, orders, invoices, bills, receipts, and other documents) evidencing eligible expenditures and to enable the Bank's representatives to examine such records. They also require the records to be retained for at least one year following receipt by the Bank of the final audited financial statements required in accordance of the Legal Agreement or two years after the Closing Date, whichever is later. Borrowers are responsible for ensuring that document retention beyond the period required by the Legal Agreement complies with their government's regulations.

2.1. Subproject funds will be disbursed to beneficiaries as per provisions included in the subproject agreements. The subprojects will disburse as follows:

a) Once the subproject is identified and eligible for WB financing, a FM capacity assessment of the SIE that will implement the subproject will be carried out by APN/CGP. This assessment should be retained and be available for inspection by the WB.[54]
b) Once the subproject is approved, including the FM capacity assessment indicating that the SIE has acceptable FM arrangements in place to receive the subproject funds, the subproject agreement is signed by APN and the SIE.
c) A segregated local currency bank account will be required to be opened/used by the SIE prior to receiving the first disbursement under the subproject agreement.
d) Once the bank account is open and available, a first advance up to 40 percent of the subproject will be disbursed.
e) When the SIE documents at least 70 percent of the first advance to CGP, a second advance amounting 40 percent of the total subproject will be disbursed.
f) When the SIE documents at least 70 percent of the second advance, the final advance of 20 percent of the subproject will be disbursed.

21. **The POM will incorporate specific arrangements to ensure the adequacy of the administrative arrangements/controls** to monitor the use of funds for subprojects, including those to be applied to the participating SIE. The POM will also include the eligible expenditures for each type of subproject, as well as the expenditures that are not eligible for WB financing.

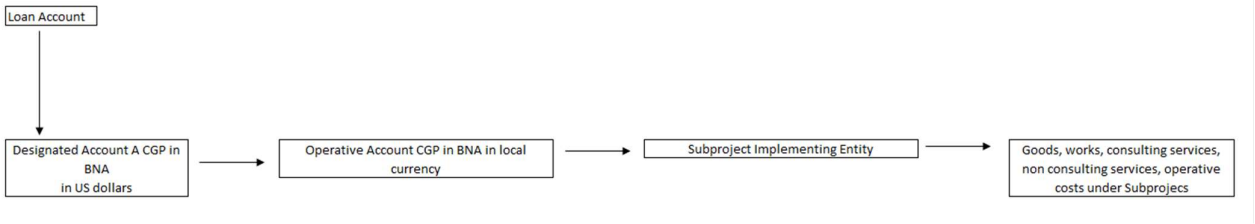
22. **Furthermore, CGP will document to and the WB will record expenditures in the Loan account based on actual expenditures incurred by the beneficiary under the subproject (i.e., the actual method).** The WB will check the use of subproject funds for eligible expenditures during implementation NS ex-post. The subproject must submit supporting documentation evidencing actual expenditures for all amounts spent and refund any unused funds before the subproject will be considered ''closed'' from a fiduciary perspective. All subproject activities must be completed before the Closing Date to be considered eligible. Contribution from an individual, unit or organization of a service or product to the Project free of charge will be classified as an in-kind contribution. All in-kind contributions must be eligible, actual, evidenced and essential to delivery of the subproject. A transaction of equal value (that can be independently assessed and documented and thereby audited) will be recognized to reflect provision of either the goods in-kind or services in-kind, valued at a fair market value. The basis of measurement for different types of in-kind contributions, combined with other relevant provisions will be specified in the POM (for example that workforce from the beneficiaries will be valued at daily market rates in the country or area, calculated per day, for example, number of days x market value per day).

23. **The large number of subprojects to be executed will require extensive monitoring for compliance.** CGP will submit semesterly monitoring reports to the WB included in the IFR, identifying relevant issues that may require the WB's attention. In addition, technical audits of the subprojects will be performed throughout the lifetime of the Project to provide the CGP with feedback and information needed to identify and mitigate any issues that arise during implementation. The CGP will submit concurrent subproject audits to the WB on a twice a year, not more than 60 days after the end of each reporting period, flagging any potential issues. The ToR of the subproject audit will be agreed upon with the WB and included in the POM. This concurrent subproject audit will be carried out by an auditor acceptable to the WB. It is expected that CGP will hire the

[54] When a SIE is expected to manage more than one subproject, the FM capacity assessment carried out by APN to ensure that the SIE meets the Bank's requirements to manage Project funds should be sent for the Bank's No Objection before the first disbursement is made to the SIE.

subproject auditor within 3 months after the approval of the first subproject.

Figure A2.2 Flow of Funds for Subprojects



24. **Financial Reporting**. CGP will prepare and submit to the WB IFRs semesterly, no later than 45 days after the end of each reporting period. These IFRs will be produced automatically from the UEPEX system, using the cash basis. At the end of each fiscal year, CGP will prepare audited annual financial statements for the Project. The second semester IFRs with accompanying notes will serve as the Projects' annual financial statements. The following semester IFRs (to be prepared in US dollars and local currency), will be prepared for Project monitoring and management purposes and submitted to the WB:

a) IFR 1 –Sources and Uses of Funds by Disbursement Category (period to date, year-to-date, Project-to-date) showing budgeted amounts versus actual expenditures, (i.e., documented expenditures), including a variance analysis;
b) IFR 2 –Uses of Funds by Project Component (period to date, year-to-date, Project-to-date) showing budgeted amounts versus actual expenditures, (i.e., documented expenditures), including a variance analysis;
c) IFR 3 –Statement of Bank Disbursements;
d) IFR 4 – DA-A bank reconciliation and accompanying bank statements for the Loan;
e) IFR 5- DA-B bank reconciliation and accompanying bank statements for PROGREEN Grant, and
f) IFR 6- Detail of Subproject execution: subproject name, amount advanced, date, amount documented to date, amount pending to be documented to date.

25. **External Auditing**. There are no overdue audit reports and/or outstanding FM or audit issues affecting APN. For Project purposes, an independent auditor will conduct the external audit of the Project Financial Statement under ToR acceptable to the WB and following International Organization of Supreme Audit Institutions (INTOSAI) rules and procedures, as Argentina's Supreme Audit Institution (SAI) Auditoria General de la Nacion (AGN).

26. **Audited financial statements** (and any accompanying Management Letter) will be furnished to the WB no later than six months after the end of each fiscal year. In accordance with the WB's Access to Information Policy, upon receipt of the annual audited financial statements of the Project, they will be made available to the public by the WB (but not the Management Letter). The borrower agrees to disclose the audited financial statements to the public.

Expenditure Categories. Loan proceeds will be disbursed against the following expenditure categories:

Category	**Amount of the Loan Allocated (expressed in US$)**	**Percentage of Expenditures to be financed** (inclusive of Taxes, except for taxes and fees levied by financial transactions)
(1) Goods, works, consulting services (including audits), non-consulting services, Training, and Operating Costs under the Selected Landscapes/Seascapes (a), (c), (e) and (g) for Sub-	11,000,000	100%

Components 1.1 and 1.3., and Components 2 and 3 of the Project (other than categories 3, 4, 5 and 6).		
(2) Goods, works, consulting services, non-consulting services, Training, and Operating Costs under Community Driven Development Subprojects under the Selected Landscapes/Seascapes (a), (c), (e) and (g) for Sub-Component 2.1 of the Project.	1,700,000	100%
(3) Goods, works, consulting services (including audits), non-consulting services, Training, and Operating Costs under the Selected Landscapes/Seascapes (b), (d), (f) (h), (i), (j), (k), (l) and (m) for Components 1, 2 and 3 of the Project (other than categories 1, 2, 4, 5 and 6).	25,872,500	100%
(4) Goods, works, consulting services, non-consulting services, Training, and Operating Costs under Community Driven Development Subprojects, under the Selected Landscapes/Seascapes (b), (d), (f) (h), (i), (j), (k), (l) and (m), other than those included in category (2), for Sub-Component 2.1 of the Project.	5,400,000	100%
(5) Scholarships for Sub-Component 1.2 of the Project	75,000	100%
(6) Applied Research Subprojects under Sub-Component 1.2 of the Project	840,000	100%
(7) Front-end Fee	112,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(8) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	**45,000,000**	

27. **The Closing Date for the Loan is May 31, 2027.**

28. **Disbursement Condition.** No disbursements shall be made under Category 5 until a Scholarship Manual is submitted and agreed upon with the WB, including details of the Scholarships, such as: beneficiaries, per diem, and flow of funds. It is not expected that Scholarship expenditures will require any special flow of funds or disbursement arrangements.

29. **Retroactive Financing**. Payments may be made prior to the Loan Agreement signing date (Signature Date) but on or after June 30, 2021 (but in no case more than one year prior to the Signature Date), up to an aggregate amount not to exceed US$9,000,000.

30. **Borrower Actions to Prevent and Combat Fraud and Corruption** in connection with Use of Loan (and Grant) Proceeds. In furtherance of the above-stated purpose, the Borrower will:

a) take all appropriate measures to prevent Fraud and Corruption in connection with the use of Loan proceeds, including (but not limited to) (a) adopting appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the Loan are used only for the purposes for which the Loan was granted, and (b) ensuring that all of its representatives involved with the Project, and all recipients of Loan proceeds with which it enters into an agreement related

to the Project, receive the WB's IPF Anti-Corruption Guidelines and are made aware of its contents;

b) immediately report to the WB any allegations of Fraud and Corruption in connection with the use of Loan proceeds that come to its attention;
c) if the WB determines that any person or entity referred to in (b) above has engaged in Fraud and Corruption in connection with the use of Loan proceeds, take timely and appropriate action, satisfactory to the WB, to address such practices when they occur;
d) include such provisions in its agreements with each recipient of Loan proceeds as the Bank may require giving full effect to the WB's IPF Anti-Corruption Guidelines;
e) cooperate fully with representatives of the WB in any investigation into allegations of Fraud and Corruption in connection with the use of Loan proceeds; and
f) if the WB declares any recipient of Loan proceeds ineligible take all necessary and appropriate action to give full effect to such declaration.

FM Arrangements for PROGREEN Grant

31. **The PROGREEN Grant will co-finance a minor share of the costs of investments and activities required to achieve the Project results specifically in the Yungas and Gran Chaco ecoregions (The largest share of costs will be co-financed with sources other than PROGREEN).**

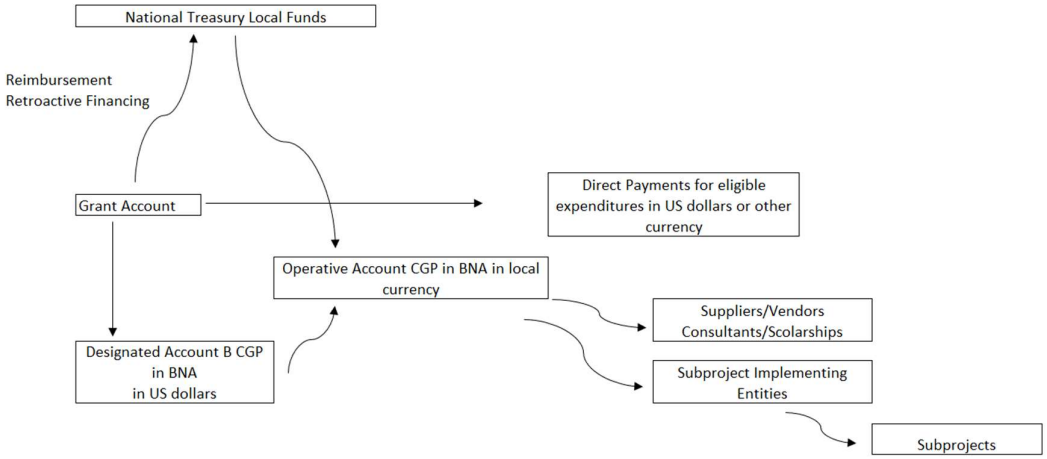
32. **The PROGREEN Grant will follow the same FM arrangements established for the Loan with regards to: staffing, budgeting, accounting, auditing, financial reporting and subprojects.** However, the Project will present one only set of IFRs and Annual Financial Statements, detailing the source and use of funds for the Loan and the Grant. Similarly, the concurrent subproject audit will cover the subprojects that the Loan and the Grant finance.

33. **Flow of Funds and disbursement arrangements for PROGREEN Grant.** The primary disbursement method will be Advances. There are no Lapsed Loans. CGP will be able to process Reimbursements and Direct Payments, if required. Figure A2.3 indicates the flow of funds:

a) Grant funds will be transferred to a Designated Account (DA-B), to be opened specifically for the Project, denominated in US dollars at BNA under control of the CGP.
b) Another segregated bank account will be opened (CGP local currency operating account) in the BNA, in local currency, for the purpose of: (i) receiving funds from the DA-B to pay for eligible expenditures to be paid to suppliers/vendors/subprojects (via SIEs) by CGP; and (ii) receiving local funds from the National Budget.
c) Payment processes will be registered by CGP in the UEPEX and e-SIDIF systems.
d) The IFRs (for financial reporting purposes and not disbursement purposes) and SOEs will be prepared by CGP, with information available in UEPEX [55].
e) CGP (and APN) staff will request access to the WB's Client Connection webpage to periodically reconcile between its own registries with the WB's disbursement records.

[55] The General Conditions require the Borrower to retain all records (contracts, orders, invoices, bills, receipts, and other documents) evidencing eligible expenditures and to enable the Bank's representatives to examine such records. They also require the records to be retained for at least one year following receipt by the Bank of the final audited financial statements required in accordance of the Legal Agreement or two years after the Closing Date, whichever is later. Borrowers are responsible for ensuring that document retention beyond the period required by the Legal Agreement complies with their government's regulations.

Figure A2.3. Flow of Funds for the PROGREEN grant



34. **The disbursement of Grant funds to CGP will be processed in accordance with WB procedures as stipulated in the Grant Agreement and in the Disbursement and Financial Information Letter (DFIL).** Funds will be disbursed in respect of eligible expenditures incurred or to be incurred under the Project and will be disbursed in accordance with agreed financing percentages. Reporting on the use of the Grant proceeds (supporting documentation) should be provided with each Withdrawal Application (WA) in the form of a SOE[56] or Records.

35. **The proposed Fixed Ceiling for the DA-B will be US$1.5 million.** The Minimum Application Size or Direct Payment and Reimbursement WAs will be US$200,000 equivalent. This Minimum Application Size is not applicable for the retroactive expenditures WA. The frequency for the presentation of eligible expenditures paid from the DA-B is at least once every three months.

36. **The Project Disbursement Deadline Date (final date on which the WB will accept WAs from the CGP or documentation on the use of Grant proceeds already advanced by the WB) will be four months after the Grant's Closing Date.** This "Grace Period" is granted to permit orderly Project completion and closure of the Grant Account via the submission of WAs and support documentation for expenditures incurred before the Closing Date.

Table A2.1 Disbursements per Expenditure Category for PROGREEN Grant

Category	Amount of the Grant Allocated (in US$)	Percentage of Expenditures to be financed (incl. Taxes)
(1) Goods, works, consulting services, non-consulting services, Training, and Operating Costs under the Selected Landscapes and Seascapes (a), (c), (e) and (g) for Sub-Components 1.1 and 1.3., and Components 2 and 3 of the Project (other than category 2).	10,500,000	100%

[56] To comply with the requirements established by the Donor, the PROGREEN Grant will only finance a minor part of the expenditures incurred to achieve specific Project results, as detailed in the results framework, only in the four selected landscapes located in Subtropical Forest from Northern Argentina, within the Yungas and Gran Chaco ecoregions. To ensure this commitment is monitored and fully complied with, a customized SOE will be used.

(2) Goods, works, consulting services, non-consulting services, Training, and Operating Costs under Community Driven Development Subprojects under the Selected Landscapes and Seascapes (a), (c), (e) and (g) for Sub-Component 2.1 of the Project.	1,500,000	100%
TOTAL AMOUNT	**12,000,000**	

37. **The Closing Date for PROGREEN GRANT is June 30, 2026.**

FM Implementation Support Plan

38. **The WB will undertake formal, informal and ad-hoc supervision of the Project based on its risk profile.** Formal supervision missions will involve among other steps: (i) the review of the IFRs; (ii) a review of the auditors' reports and follow-up on issues raised by auditors, as appropriate for both Components; (iii) the follow up on any financial reporting and disbursement issues; (iv) a discussion of FM issues with the Project team; and (v) an update of the FM risk and performance rating in the Implementation Status and Results Report (ISR). Staff weeks estimated for this Project are four weeks/year:

Table A2.2. FM Supervision Plan

Report	Periodicity	Due date
Review IFRs	Twice per year	45 days after the end of the reporting period, WB review within 30 days of receipt
Audited Project Financial Statements	Annually	6 months after the end of audit period, WB review within 30 days of receipt
Concurrent Subproject Audits	Twice per year	60 days after the end of audit period, WB review within 30 days of receipt
FM Mission Supervision	Risk Based	• High-Field mission every 6 months • Substantial-Mission every 6 months alternating between a Field Mission and a Desk Review • Moderate and Low-Field mission every 12 months

Loan Covenants

39. **No other than standard conditions for FM are applicable to this Project.**

ANNEX 3: Economic and Financial Analysis

1. **The financial analysis assesses financial profitability and viability, from the point of view of Project beneficiaries, verifying that incentives and capabilities will be sufficient for them to engage with the Project´s proposal.** Ten financial models were prepared for this purpose, based on evidence from previous projects and the set of activities that the target group is developing in Project areas. Financial models describe different alternatives for two types of Subprojects based on the level of consolidation of groups and the type of proposals to be financed per landscape.

2. **The analysis of the social value-added of biodiversity aimed at assessing anthropogenic impacts on biodiversity from land use changes, habitat fragmentation, infrastructure, and human encroachment.** The biodiversity response to such processes is quantified by using the Mean Species Abundance (MSA) metric[57] and georeferenced data of sites. This is included in the Economic and Financial Analysis assuming that the MSA per hectare indicator can be assigned with a conservative monetary value following literature on ecosystem service values[58]. The avoided social value of biodiversity loss due to the Project intervention is estimated at US$30 million (US$1.5 million per year) considering 13,970 ha of avoided biodiversity loss in five National PAs (Traslasierra National Park, Nahuel Huapi National Park and Calilegua National Park, Aconquija National Park) where improved conditions could be identified in specific sites to control logging and biodiversity risks.

3. **All models evaluated were financially viable with Financial Internal Rate of Return (FIRR) ranging from 13 percent (Forest Management and Carpentry model in Patagonia) to 63 percent (Ecotourism Model in Patagonia).** Beekeeping models present FIRRs ranging from 30 to 39 percent and Forest Management with integrated livestock models show a FIRR at 24 and 25 percent depending on the region and landscape. An additional exercise was developed to assess subproject's impact on family income. Expected incremental incomes of productive activities per family were compared with the national poverty line yearly incomes. As a result, subproject impacts are expected to improve vulnerable family incomes by 17 percent on average.

4. **The Project´s incremental stream of benefits considers benefits derived from selected financial models for each type of investment category (valued at economic prices and adjusted using adoption and success rates ranging from 60 to 80 percent depending on the activity model) and the stream of economic benefits from Project´s investments in works and activities promoting green employment, green construction, eco-tourism, energy savings and climate resilience by increasing water access in rural areas.** A specific exercise to assess economic benefits of investments in Marine PAs revealed preferences and willingness to pay methodology, measuring existence (or non-use) value that the society ascribes to ecosystem services in targeted marine PAs.

5. **Project Economic NPV (social discount rate applied is six percent) is US$40.75 million, and the Economic Internal Rate of Return (EIRR) is 16.31 percent under the base case scenario (excluding GHG analysis).** Other three additional scenarios were developed to evaluate economic profitability indicators including GHG emissions following the most recent WB guidelines. It involves using a high-value carbon price (US$80 per tCO_2e) assumption and a lower carbon price (US$40 per tCO_2e) assumption to estimate economic benefits from reducing GHG emissions. An additional scenario was considered with a market-value carbon price (US$5 per ton of CO_2e).

6. **A sensitivity analysis was conducted to test the profitability indicator´s performance assuming various risk scenarios affecting Project costs and benefits.** It included increases in Project costs (10 percent & 20

[57] Expressing the mean abundance of original species in disturbed conditions relative to their abundance in an undisturbed habitat (where MSA = 1 highlights an entirely intact ecosystem and MSA = 0 highlights a fully destroyed ecosystem)- B-INTACT Guidelines; 2020.
[58] De Groot, R. et al. 2012. Global estimates of the value of ecosystems and their services in monetary units. Ecosystem Services, 1(1): 50-61.

percent) -with EIRR at 14.63 and 13.17 percent respectively-, a reduction in Project benefits (10 percent, 20 percent)- with EIRR at 14.46 and 12.5 percent respectively, delay in Project benefits (one and two years)- with EIRR at 13.79 and 11.84 percent respectively and combined scenarios (reduction in benefits and increase in costs) where Project profitability indicators would remain in a positive range under most of them.

7. **Finally, switching values for cost increments are 184 percent, 137 percent and 89 percent under the HPC, LPC and baseline scenarios, respectively, and 65 percent, 58 percent and 47 percent for reductions to economic benefits under the HPC, LPC and baseline scenarios, respectively**, indicating that the Project would be a worthwhile investment from the economic perspective for the country and the society.

8. **EFA approach.** An ex-ante evaluation of the Project's expected quantitative results was carried out, integrating an incremental stream of benefits and costs of the Project-related investments. The economic analysis seeks to measure Project benefits and the economic worth from the perspective of the country and society, including positive environmental externalities such as avoided biodiversity losses and the economic value of GHG emissions avoided. The incremental benefits and costs derived from the Project are evaluated according to the guidelines of the WB for the Economic and Financial Analysis of Investment Operations, which complies with the WB's Environmental Strategy and Climate Change Policy.[59]

9. **Streams of Economic Benefits and Investment Models applied to the EFA.** Given the investments proposed and Project direct beneficiaries, the EFA put together several valuation methods to assess economic profitability under a Cost-Benefit approach.

10. **Component 1.** The Project will implement a set of activities to increase climate change mitigation and adaptation, avoid biodiversity loss and reduce biodiversity risks. Preliminary, it represents 5 percent of total costs of the pipeline of works, and it also includes **equipment and rehabilitation of surveillance and control facilities** together with supporting local, rooted communities in binding sites of four targeted National Parks (Traslasierra National Park, Nahuel Huapi National Park, Aconquija National Park, and Calilegua National Park). Consequently, the Project´s expected results on biodiversity were assessed and quantified by using the FAO´s Biodiversity Integrated Assessment and Computation Tool (B-INTACT tool; 2020[60]). The avoided social value of biodiversity loss due to the Project intervention is estimated at US$30,122,349 (US$1,506,117 per year) and considers 13,970 hectares of avoided biodiversity loss.

11. **Public use Infrastructure** is another key investment in Component 1 and it represents around 70 percent of the total expected pipeline of works. It was assumed that **enhancing visitor's satisfaction** can generate an **increase in local touristic expenditures**, overnight stays and visitations in the mid-term. Increase in local expenditures and tourism will also increase the amount of revenues collected by APN. For the purpose of the analysis, it was assumed that 2019 visits will be recovered by year five, and given that at least 20 percent of revenues collection will benefit local communities under co-management schemes, the expected increase in local expenditures and tourism after year 5 would generate at least an additional stream of benefits estimated at US$0.3 million per year in a very conservative scenario.[61]

12. **Green construction and rehabilitation of key infrastructure will be promoted to improve sustainable management effectiveness in PAs generating energy savings**. Estimates provided by APN indicates that

[59] The EFA analysis was developed remotely, and assumptions were made based on M&E data available, literature reviews, and interviews. Besides, consultations with local teams and technical officers assisted in assessing the baseline and expected benefits for models, even if no field verifications were possible under the current context of COVID-19 and movement restrictions in Argentina.
[60] *http://www.fao.org/3/ca8242en/CA8242EN.pdf*
[61] The exercise differentiated average expenditures per day of National and Foreign tourists per region which was calculated between US$74 and US$92, and incremental benefits are estimated between US$7.6 and US$11 per tourist, generating a stream of benefits due to the increase by 15 percent in average local expenditure of national and international visitors (estimated at 20 percent of total expenditures).

infrastructure will be rehabilitated in at least 27.660 m2 and energy savings are estimated at around KWh 3.4 million per year resulting in around ARS 6.1 million savings per year.[62]

13. **Investing in public infrastructure to better manage national PAs will also generate incremental benefits due to the improved incomes in local communities by creating short-term jobs and improving green construction skills in human capital.** Incremental benefits are estimated at US$0.74 million per year at full realization of benefits (from year 2 to year 4).[63]

14. **Finally, APN will invest in protecting marine areas**. An exercise was developed to estimate the value that citizens assign to the protection of the sea in Argentina through Marine PAs and results indicate that WTP would be around US$3,3 per year per household. The estimate was adjusted by assuming that only the Economic Active Population of the highest income decile would be able to pay and this would result in a total economic value per year of around US$1 million.

15. **Component 2. Sustainable Use Subprojects (SUS or Type A) and Value Chain Development (VCS or Type B) Subprojects** aim to provide monetary and non-monetary benefits to poorly and moderately vulnerable organized communities while improving ecosystem management in National PAs and buffer zones, and key native forests prioritized landscapes. A total of 116 SUS and 25 VCS will be implemented by APN, targeting around 2,800 families. Ten productive models were elaborated to assess the financial profitability of SUS and VCS**. Market access Subprojects (MAS, or Type C)** will be promoted to provide monetary benefits to moderately vulnerable, highly organized communities while improving ecosystem management.

16. **Financial analysis results**. The financial analysis presented in this section corresponds to SUS Type A and VCS Type B to be financed under Component 2. Based on the estimation of incremental flows of benefits and costs derived from the models, the EFA estimated financial profitability indicators for a 20 years-evaluation period at a discount rate of 12 percent.

Table A3.1. Financial Profitability indicators for C2 Subprojects to be implemented by ANP

Type	Model	FIRR (%)	NPV (ARS)	B/C Ratio	NPV/Family (ARS)
SUS	Beekeeping trad	30	4,182,404	1.31	278,827
	Beekeeping organic	39	5,642,208	1.45	376,147
	Livestock Dry Chaco	24	3,807,709	1.56	380,771
	Livestock Humid Chaco	24	5,149,362	1.38	514,936
	Livestock Patagonia	25	4,559,027	1.32	455,903
	Ecotourism Patagonia	63	2,468,188	2.47	246,819
VCS	Carpentry Patagonia	13	1,434,857	1.42	47,829
	Ecotourism Chaco	22	9,475,254	1.36	94,753
	Forest Management/Livestock	15	2,470,756	n/a	123,538
	Beekeeping/Handcrafts	23	8,169,187	n/a	163,384

17. **All models evaluated were financially viable** with FIRR from 13 percent (Forest Management & Carpentry model in Patagonia) to 63 percent (Ecotourism Model in Patagonia). An additional exercise was

[62] Through re-designing energy demand and implementing rehabilitation actions, electricity, gas and water consumption can be reduced, with lower operating and maintenance costs in the long term while obtaining the same level of performance (with lower energy consumption).
[63] Around 40 small-works in National PAs are expected to be implemented generating 1,539 short term jobs for unemployed or seasonal local workers that will get new opportunities and skills.

developed to assess the subproject's impact on family income. Expected incremental incomes of productive activities per family were compared with the national poverty line yearly incomes. As a result, subproject impacts are expected to improve vulnerable family incomes by 17 percent on average.

18. **Environmental co-benefits - analysis of GHG emissions**. In accordance with the WB's Environmental Strategy and its Climate Action Plan, climate change mitigation co-benefits were also integrated into the EFA. The ex-ante GHG analysis carried out indicated that over 20 years, Project direct and indirect activities would be able to reduce carbon emissions by -745,685 tCO2e, average mitigation of -37,284 tCO2e per year. GHG analysis was developed by using FAO's Ex-Act Tool[64] following the WB's GHG Accounting Forest Sector Investment Project Guidance Note[65].

19. **Economic viability**. The economic analysis results show that the Project is economically viable. The Project Economic NPV (social discount rate applied is six percent) is US$40,75 million, and the EIRR is 16.3 percent under the base case scenario (without including GHG analysis). Other three additional scenarios were developed to evaluate economic profitability indicators, including GHG emissions following the most recent WB guidelines. It involves using a high-value carbon price (starting from US$80 per ton of CO2e) assumption and a lower carbon price (starting from US$40 per ton of CO2e) assumption to estimate economic benefits from reducing GHG. An additional scenario was considered with a market-value carbon price (US$5 per ton of CO2e). Over the implementation period of 20 years, it is estimated that Project direct and indirect activities could reduce carbon emissions by 745,685 million tCO2e per year, which gives an average mitigation of 37,284 tCO2e per year. The ERR is 27.9 percent under the HPC scenario, and the NPV is estimated at US$85.55 million.

20. **Sensitivity analysis.** A sensitivity analysis was carried out to test profitability indicator´s performance assuming different risk scenarios affecting Project costs and benefits. It includes an increase in Project costs (10 percent & 20 percent) -with EIRR at 14,63 and 13,17 percent respectively-, a reduction in Project benefits (10 percent, 20 percent)- with EIRR at 14,46 and 12,5 percent respectively, delay in Project benefits (1 and 2 years)- with EIRR at 13,79 and 11,84 percent respectively and combined scenarios (reduction in benefits and increase in costs) where Project profitability indicators would remain in a positive range under most of them.

21. **Finally, switching values for cost increments are 184 percent, 137 percent and 89 percent under the HPC, LPC and baseline scenarios, respectively**, and 65 percent, 58 percent and 47 percent for reductions to economic benefits under the HPC, LPC and baseline scenarios, respectively, indicating that the Project would be a worthwhile investment from the economic perspective for the country and the society. Table A3.2 summarizes the economic indicators for three scenarios discussed in this analysis: the baseline scenario (net incremental economic benefits, derived from the financial streams of the investment subprojects, valued at economic prices).

Table A3.2. Summary of economic indicators (US$)

Indicator	Baseline	LPC	HPC
EIRR (%)	16.31	21.79	27.9
Economic NPV	40.75 million	61.68 million	85.55 million
Switching value for costs	89%	137%	184%
Switching value for benefits	-47%	-58%	-65%

[64] *http://www.fao.org/in-action/epic/ex-act-tool/overview/en/*
[65] World Bank GHG Accounting. Forest Sector Investment Projects Guidance Note (Version 1.3). Environment and Natural Resources GP (GENDR); 2016.

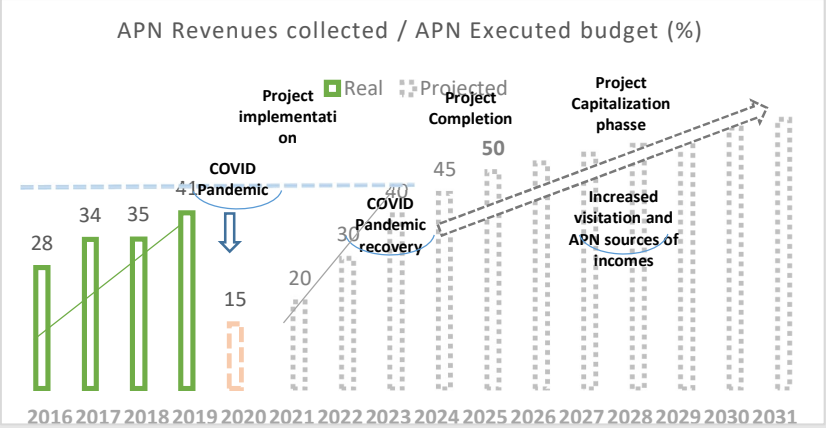
ANNEX 4: Detailed Sustainability Analysis

1. **Financial Sustainability.** The Project´s strategy consists of promoting investments to improve effective management in PAs while increasing APN revenues and optimizing APN operation and maintenance.

2. **Overall financial sustainability.** The Project expects to promote a quick recovery of tourism and visitation after the pandemic to the 2019 levels and continue the increase in visitation in the future. Until 2019, before the pandemic began, APN´s revenues have been increasing due to the increase in National Parks visitors and revenues due to the right access collection. Before the COVID-19 pandemic started, the National Parks with the highest visits (Iguazú, Glaciares, Tierra del Fuego and Nahuel Huapi) always exceeded the expectations of visit and the figures of the previous year. Likewise, the increase in foreign visitors at the country level also resulted in an increase in visits by foreign tourists in the National Parks.

3. **Project outputs and outcomes will combine a series of investments components to increase and create new financing flows for APN.** Revenues are expected to increase due to the implementation of investments that will be enhancing visitor's satisfaction and touristic capacity in National PAs. Under Component 1, an integrated strategy will be implemented to promote ecotourism and value natural and cultural capital linked to the pipeline of public infrastructure works that will improve touristic facilities, access, and services in National Parks. As a reference, a recent study from WBG (2021) estimated economic returns from of US$6.2 per US$1 of government spending on Abrolhos Marine National Park, Brazil. In turn, incremental benefits for this Project are estimated between US$7.6 and US$11 per tourist.

Figure A.4.1 Expected financial sustainability pathway



Source: Own elaboration based on APN reports on revenues and executed budget (October 2021)

4. **Institutional Sustainability. Each subproject under sub-component 2.1 will be required to prepare a sustainability strategy, taking into consideration its own context and design, helping secure the continuation of the financed activities.** The strategy will be linked to the design of the projects presented. This is a key lesson learned from past Bank projects.

5. **Policy related to Integrated Landscape Management will be linked to the Project´s strategies.** Investments will be implemented with a strategic perspective, considering existing and upcoming policies that can be created with the Project. APN created the Program for the Strengthening of Indigenous Communities (PROFOCI, Res. 70/15) and local communities (PADAS, Res. 21/20) for the design and implementation of Sustainable Use Projects and their consultation and participation. Both programs allocate financial resources to indigenous communities and settlers who contribute to the sustainability and conservation of PAs, being alternative mechanisms to sustain community rural investments after Project lifecycle.

ANNEX 5: Gender Gaps and Action Plan

Introduction

1. **This annex summarizes the gender gaps identified in an analysis of rural areas of Argentina and the Gender Action Plan designed for this Project**. Measures for empowerment of women and reduction of gender disparities are mostly concentrated under Component 2 (which is expected to be the main contributor to improvement of livelihoods). Here, the most relevant measures are presented by describing the gender gaps prioritized, how the Project will address them, and explaining how the Project' contribution to reducing each gap will be measured.

2. **Argentina has increasingly demonstrated commitment to Gender Equality.** The Ministry of Women, Gender and Diversity (MMGyD, for its Spanish acronym) was created in 2019, and is responsible for design, implementation and evaluation of national public policies related to gender, equality, and diversity, and to prevent, eradicate, and repair gender-based violence and fully assist victims. It supports a variety of initiatives across the country and coordinates actions with other ministries, and provincial and municipal governments to ensure that gender equality across is mainstreamed territories. The ministry's National Plan for Equality in Diversity (2021-2023), the main planning instrument, includes actions targeted for the rural population where greater gender gaps exist. In August 2021, the Ministry launched the National Program for Strengthening the Gender Perspectives in Rural Development "*Sembrando Igualdad*", to reduce inequality in access to and control of economic, social, and cultural resources for the full development of women in rural areas.

3. **APN's staff have been trained and certified by the MMGyD on gender and diversity, and are mainstreaming gender equality across its operations**. The current capacities of the institution allow for a gradually improving engagement and understanding of the existing gender gaps in the rural landscapes, which is expected to support implementation of this Gender Action Plan.

Gender gaps in rural areas

4. **According to data from the National Registry of Family Agriculture (RENAF) as of August 2020, 45 percent of the people registered as family farming units were women, and only ten percent of these identify themselves as female heads, generally due to the absence of a male in their unit**.[66] Based on APN's previous experiences on 35 subprojects implemented in recent years in rural areas of Argentina, women lead only five percent of applications received for subprojects (including those who are members of governing councils of the beneficiary organizations), even though women sign 29 percent of the legal agreements regulating the rights and obligations related to the acceptance of such subprojects. This is particularly striking considering that 38 percent of the total population residing on rural landscapes are women and 62 percent are men.[67]

5. **The management bodies of the most representative entities of the agricultural productive sector at the national level reflect a great disparity in favor of men.** Of the 12 entities studied, women hold 7.3 percent of management positions and only half have women in their management bodies.[68] On the other hand, a 2015 study of the status of young rural women in Argentina 2015 confirmed their active participation in organizations, in which they are often the majority. In part, they step in for men who emigrate or are overworked in off-farm jobs. In recent years, significant empowerment processes have taken place, generating greater awareness of the importance of women's active participation.[69] There is a great variety of groups and cooperatives of artisans (including indigenous) generally formed at the local level and without regional or

[66] Secretary of Rural and Indigenous Family Agriculture (2020). *Plan Integral para las Mujeres de la Agricultura Familiar, campesina e Indígena "Plan En Nuestras Manos"*.
[67] INDEC (2021). National Agricultural Census 2018. Final Results. April 2021.
[68] CEDEF Foundation (2020). Very low representation of women in the management of entities. Recovered from: https://cedef.org.ar/2020/01/28/muy-baja-representacion-de-mujeres-en-las-conduccion-de-entidades/
[69] National Institute of Statistics and Censuses (2021) Statistical Dossier in commemoration of the 110th International Women's Day.

national networks, specifically of women. Formation of rural women's organizations at the regional and national levels is still incipient. Some cases were identified in the Project's SEP such as the Indigenous Women's Movement for Good Living (national) and the Cooperativa de Mujeres Artesanas del Gran Chaco -COMAR- (regional). At the level of family farming, the Asociación de Mujeres Rurales Argentinas Federal (AMRAF) is an association that brings together women from various parts of the country to represent their situation as small-scale producers and protagonists of family farming.

6. **An analysis reveals an asymmetry between men and women in accessing monetary and non-monetary benefits in rural landscapes, and in decision making for landscape management**.[70] Women are directly related to nature-based tourism and agricultural activities, given that they are responsible for farms' production for own consumption. They are also employed on plantations and in value-adding activities such as product packaging and processing, although to a lesser extent. Women often face obstacles to participating on equal terms with men in community activities and organizations, which is strongly linked to their mixed productive and caring roles; women often encounter conflicts in the sphere of their partners or family; or decreases in income as they must postpone their domestic economies.

7. **In rural areas, a substantial proportion of women do not have their own incomes - 16.8 percent, while only 10.6 percent of men are in the same situation (a gap of 6.8 percentual points).**[71] In addition, women's participation in the labor market is 21 percentage points lower than that of men (49.2 percent vs. 71.2 percent, respectively),[72] and the employment rate of women is 39.4 percent compared to 57.7 percent of men.[73] The absence of remuneration generates income inequality and economic dependency for rural women. Salaried women in the rural sector account for 17.7 percent of the total permanent agricultural wage earners; most women participate in peasant and indigenous family farming. Even when women make a monetary contribution to the household, they may not be allowed to decide on the use of these funds. Their household contributions are not usually considered agricultural work, because they are associated with domestic and care tasks. In rural areas, in addition to their work as housewives, they are mainly responsible for raising small farm animals (goats, pigs, sheep, poultry), managing orchards, producing handicrafts, harvesting forest fruits, producing cheeses, harvesting wood and branches for cooking and caring for children. They contribute to the domestic economy by selling handicrafts, cheeses, sweets and breads, among other products, the raising of small cattle and taking care of the household. In some cases, they also work outside the home. Often, women cook over campfires or on wood stoves located in small rooms, usually without ventilation. Women also tend to oversee nurseries, home gardens, and small animal husbandry. Overall, women receive a small part of the monetary benefits, being linked to few or no commercialized products, and there is a perception that their wages are "supplementary" to men's wages.

8. **In Argentina, rural women work 14 hours more per week than men when considering both paid and unpaid hours of care tasks**.[74] This gap has intensified during the pandemic, because women's unpaid care tasks increased by an estimated four hours at the same time that agricultural work increased, placing double pressure on rural women.[75] The presence of children at home widens the gap in the distribution of unpaid work: women without young children perform five percent fewer care tasks than women who have two or

[70] Secretary of Rural and Indigenous Family Agriculture (2020). *Plan Integral para las Mujeres de la Agricultura Familiar, campesina e Indígena "Plan En Nuestras Manos"*.
[71] Ministerio de las Mujeres, Género y Diversidad. 2021. *Plan Nacional de Igualdad en la Diversidad 2021-2023*.
[72] National Directorate of Economy, Equality and Gender (2020): "*Las brechas de género en la Argentina. Estado de situación y desafíos*", Dirección Nacional de Economía, Igualdad y Género. Recovered from: https://argentina.gob.ar/sites/default/files/las_brechas_de_genero_en_la_argentina_0.pdf
[73] National Institute of Statistics and Censuses (2021) Statistical Dossier in commemoration of the 110th International Women's Day.
[74] National Directorate of Economy, Equality and Gender (2020): "*Las brechas de género en la Argentina. Estado de situación y desafíos*". Recovered from: https://argentina.gob.ar/sites/default/files/las_brechas_de_genero_en_la_argentina_0.pdf
[75] Secretaria de Agricultura Familiar Campesina e Indígena (2020). *Plan Integral para las Mujeres de la Agricultura Familiar, Campesina e Indígena "Plan En Nuestras Manos"*.

more children in their care.[76] The workloads of domestic work and of caring for children and the elderly (their own and sometimes those of extended family) limit their ability to participate. However, women strive to participate, decide, mobilize, and assume managerial responsibilities.

Gender Action Plan

9. **A Project-specific Gender Action Plan was developed to help close three of the gender gaps described above: (i) Reduced access to decision making, associative and representative roles; (ii) Extended working hours to attend non-paid caring work; and (iii) Lower access to income sources**. The plan focuses on increasing, creating, and promoting opportunities for women in rural areas of the selected landscapes, particularly the areas most vulnerable to climate change. At the same time, the plan empowers women as agents with the potential to transform their own reality and whose contribution is key for successful resilient management of the selected landscapes. To do this, the Project implements a complete set of actions that address at least one gender gap in each Component.

10. **The plan will involve pre-existing local associations (e.g., described in Paragraph 8) and will follow the guidelines and programs of the MMGyD.** Moreover, the Project's Monitoring and Evaluation efforts will include gender-specific disaggregation to verify improvements in access to decision making for women across projects, reduced time spent at unpaid care work, and more women accessing their own income. (Indicators and desegregations for each gap are described in detail in TableA5.1) Several actions, which are described below, will be supported with funding included in the budget for Component 2 to achieve these goals.

11. **Increasing the participation and access to decision making, representation and association roles for women through subprojects type A and B in sub-component 2.1.** Selection criteria will be defined in the POM to prioritize subprojects that are led by women. In parallel, a series of workshops and other awareness activities will be held during which gender mainstreaming and specific gender considerations will be disseminated to women and men, including during the three annual meetings for the beneficiary committees and at least one ad-hoc additional workshop per landscape. These will be focused on increasing the governance capacities of local women's organizations and generating associative and leadership capacities among participants. Extensionists that will support the application and implementation processes of the subprojects will also receive training on gender equality. Moreover, to promote women's participation and leadership roles, Project stakeholder engagement activities will be implemented with the gender-sensitive considerations identified in the SEP, including time and day of activities; support for domestic, economic, and productive tasks during the activities; and cultural adequations. The Project's contribution to reduce the gender gap will be monitored by tracking the proportion of financed subprojects that are led by women and/or women-led organizations (target of no less than 15 percent, from a baseline of 5 percent).

12. **Increasing the proportion of women with own income through sub-components 1.1, 2.2 and 2.1.** Analytical activities through sub-component 1.1 will identify value chains with the best income and highest potential for women to increase their access to monetary benefits. Capacity building for green jobs under sub-component 2.2 will be targeted at the niche and high potential value chains will be identified. The POM will also include criteria for prioritizing women as beneficiaries of the trainings; supporting women's capacity for developing businesses, creating associations, and leading teams; and promoting women's participation in the nature-based tourism development investments, as well as in other sectors identified as especially relevant to women. In addition, specific income-generating activities traditionally led by women will be prioritized in subprojects under sub-component 2.1, including crafts, packaging, and apiculture.

[76] National Directorate of Economy, Equality and Gender, Secretary of Economic Policy and Ministry of Economy. 2020. *Los cuidados: un sector económico estratégico. Medición del aporte del Trabajo doméstico de cuidados no remunerado al Producto Interno Bruto*.

13. **Reducing the time spent in caring roles through subprojects type A in sub-component 2.1.** According to prioritization criteria included in the Project Operational Manual, a proportion of the investments of the subprojects will be targeted at providing goods, infrastructure, and basic services (e.g., access to water and energy for isolated households) to benefit women in vulnerable households in particular. These will contribute to reducing the time required for caring activities, giving women more time for education, paid-work, and other preferred activities. The investments will be supplemented with trainings and other awareness activities for communities on use of productive and community time, acknowledging the contributions to family care and domestic work that are not paid. The activities will also allow a socioeconomic datasheet to be created using before-and-after surveys to reveal additional information about the women who are beneficiaries of the Project, and to report on its indicators. As well as with the previous gap, Project activities will be implemented following the gender-sensitive considerations identified in the SEP. This gender gap will be monitored through ex ante and ex post surveys for Project beneficiaries that will measure the amount of time spent on non-remunerated activities (Target is 15 percent below baseline).

Table A5.1- Summary of Gender Gaps, Actions and Indicators

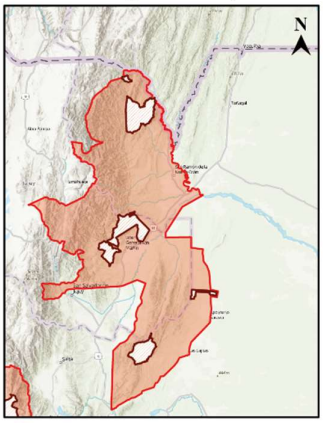
Gap	Actions	Goal and Indicator
LEADERSHIP AND DECISION-MAKING INFLUENCE **Baseline: 90% gap** **5%** of subprojects for organizations of indigenous communities and populations are led by **women.** **95%** of subprojects for organizations of indigenous communities and populations are led by **men**. **Evidence:** Out of the 35 subprojects financed by APN through the Rural Corridors and Biodiversity Project P114294, and other resources (PROFOCI and PADAS), 29% were signed by women. But only 5% of the subprojects implementing organization are led by women.	**Selection / prioritization criteria for subprojects to differentially benefit women: At least 15%** of subprojects approved for financial and technical support will be granted to community organizations led by women. **Workshops and induction / sensitization sessions for men and women on gender issues for technicians and technicians** who participate in the activities from APN at the territorial level of the 13 landscapes. **Development (by a dedicated specialist) and adoption of protocols and prioritization criteria** to facilitate the participation of women in Project activities (in accordance with the PPPI): hours, days of workshops, childcare and other dependents, domestic tasks, productive activities and economic, cultural adequacy. **3 annual workshops for women and men** and at least **1 annual workshop for each of the 13 selected landscapes** where the Project will be implemented, aiming at: - **awareness** - **raising on gender perspectives** and reducing obstacles in the participation of the benefits of the Project. - **promoting the participation** of women and women's organizations in the Project. - **strengthening women's leadership and capacities for the management** of organizations. - **Generating associative capacities** among the participants. The costs of all these activities will be included into the Project's Annual Operational Plan.	**Indicator:** Share of Type A/B subprojects approved for financial and technical support allocated to organizations led by women. **Target to be achieved:** At least 15% (i.e., Reduction of the gap by at least 20%; from 90% to 70%.) **Methodology:** Each organization applying for a subproject to implement a subproject will submit the information on its Legal Status, governance structures and a list of authorities. From such information the top decision-making roles within organizational structures will be identified (e.g. president, executive director, manager, legal representative, etc.) and the share of organizations with women assigned to the highest-level decision-making roles (president or similar) benefitting from subprojects for community subprojects implementation will be determined. The fact that a woman formally occupies a high-level role in an organization is assumed to mean that such woman can better influence the decision making during the design and implementation of the community subproject.
OWN INCOME	**Analytical activities under Sub-component 1.1** for	**Indicator:** Difference in the share of

Gap	Actions	Goal and Indicator
Baseline: 6.2 percentual points gap **16.8%** of women do not have their own income. **10.6%** of men do not have their own income. **Evidence:** Ministry of Women, Gender and Diversity. 2021. *National Plan for Equality in Diversity 2021-2023.*	the identification and assessment of the value chains that generate the most income for women (e.g. handicraft selling, food processing) and the niches with potential for women to increase their income (e.g. beekeeping, tourism). **Set up of prioritization criteria in the Project Operational Manual to differentially support investment and technical assistance through community subprojects under Sub-component 2.1, such as:** Awareness raising and sensitization activities for men and women in the use of productive and community time, recognition of contributions to family production and unpaid domestic and care tasks. Works, goods and services to boost income-generating activities differentially benefitting women, such as: -Subprojects Type A: Production of handicrafts traditionally produced by women. -Subprojects Type B: value addition through "packaging or fractioning" involving women's paid workforce. -Subprojects Type C: Access to markets for beekeeping byproducts. **Training under Sub-component 2.2** to create competencies among women in those value chains / niches / opportunities identified with greater participation of women, for example, through: -Prioritization criteria to benefit women in the access to training; and to focus such training on areas that are relevant to green jobs that are mostly accessed by women. -Generation of entrepreneurial, associative and leadership opportunities among women. - Participation of women in training in the nature-based tourism sector. - Upskilling or reskilling of women in traditional sectors (for example, agriculture, fishing, forestry, construction, manufacturing, etc.) or emerging sectors (for example, clean energy sources, ecological restoration, control of exotic species, etc.).	women and men with greater monetary benefits resulting from the Project. **Target to be achieved:** 3 percentual points gap or less between men and women with greater monetary benefits resulting from the Project **Methodology:** The results achieved will be measured by processing data from the PDO indicator that measures "Beneficiaries in specific landscapes with greater benefits", which would be disaggregated by monetary / non-monetary and by gender. To calculate the gap, the percentage of female beneficiaries receiving monetary benefits would be compared with the percentage of male beneficiaries receiving monetary benefits.
USE OF TIME **Baseline gap:** Rural women work 14 hours more per week than men in unpaid tasks. **Evidence:** Secretary of Rural and Indigenous Family	**As part of the Project staff on-boarding process (under Component 3, and guided by the Project's Labor Management Procedures), induction and training sessions would be conducted for Project staff** from APN and consultants who participate in the field activities in the 13 selected landscapes. As part of the roll-out of the Project's SEP, **a protocol**	**Indicator:** Change in time that women beneficiaries of subprojects spend on unpaid domestic/care work (%). **Target to be achieved:** Reduction of at least 15% compared to baseline (i.e., 2 or more hours less than the 14 hours baseline).

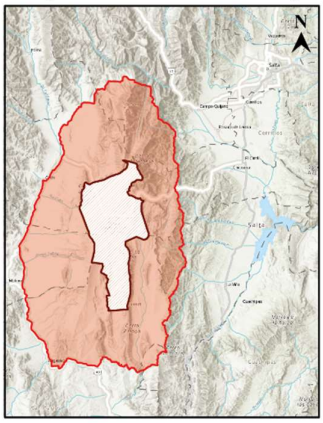
Gap	Actions	Goal and Indicator
Agriculture (2020). *Comprehensive Plan for Women in Family, Peasant and Indigenous Agriculture. "In Our Hands" Plan*. National Directorate of Economy, Equality and Gender, Secretariat of Economic Policy and Ministry of Economy. 2020. *Care: a strategic economic sector. Measurement of the contribution of unpaid domestic care work to the GDP)*.	**will be developed and adopted** to facilitate the participation of women in the Project activities: hours, days of workshops, care of children and dependents, domestic tasks, productive activities, and economic, cultural adequacy. **Sub-Component 2.1 will include selection / prioritization criteria for community subproject that differentially contribute to alleviation of the burden for women of domestic care and other unpaid tasks.** **As part of subprojects design, awareness and sensitization** workshops will be carried out to discuss with men and women from the local communities about the use of productive and community time, and the recognition of contributions to family production and unpaid domestic and care tasks. **As part of subproject under Sub-Component 2.1 investments in works, goods, and access to basic services** (such as water and energy for consumption and production) with a positive effect in reducing the use of time in domestic work and in care tasks will be financed.	**Methodology:** Ex-ante vs. ex-post comparison of results from socio-economic survey conducted to a representative sample of women benefitting from Type A subprojects through investments in goods, infrastructure and/or, access to basic services (such as water and energy for consumption and production). Question to be included in the survey: *On average, how many hours do you work in unpaid tasks per week?*

ANNEX 6: Project Area Maps for the 13 selected landscapes

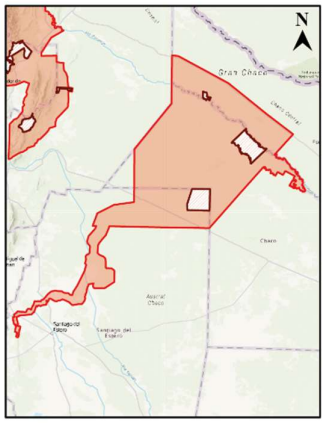
1. Yungas Landscape



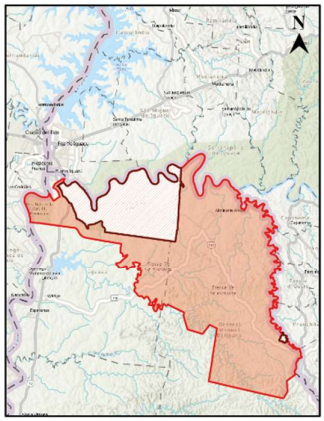
2. Prepuna and Monte Transitional Landscape



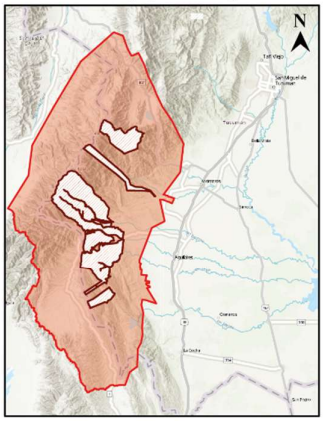
3. Chaco Seco Biodiverse Corridor



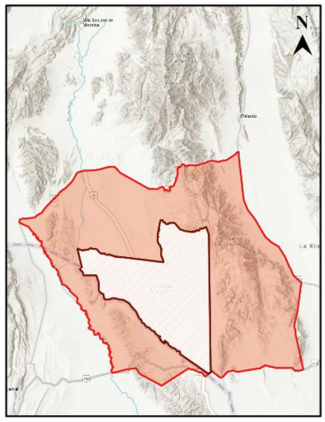
4. Paranense Rainforest Corridor



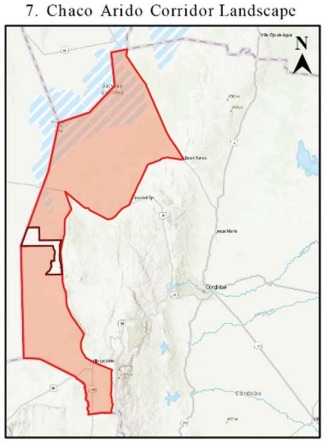
5. Aconquija Landscape



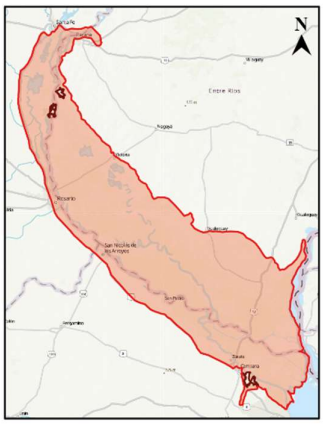
6. Monte de Sierras and Bolsones Landscape



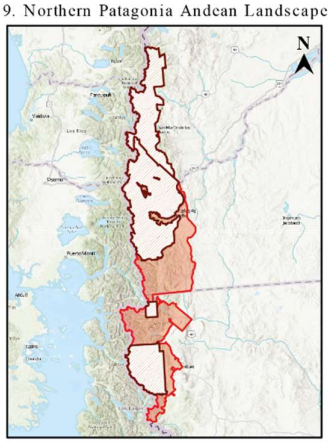
7. Chaco Arido Corridor Landscape



8. Parana River Delta



9. Northern Patagonia Andean Landscape



National Protected Areas
Selected Landscapes

Sources: Esri, HERE, Garmin, FAO, METI/NAS, USGS, CGIAR

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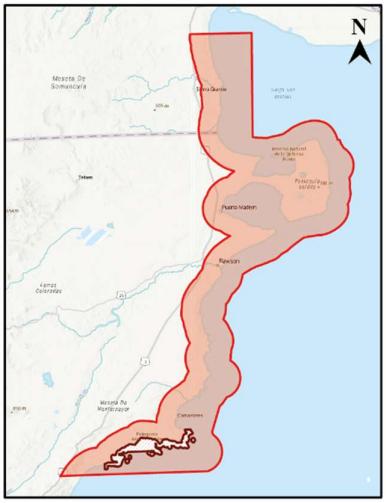
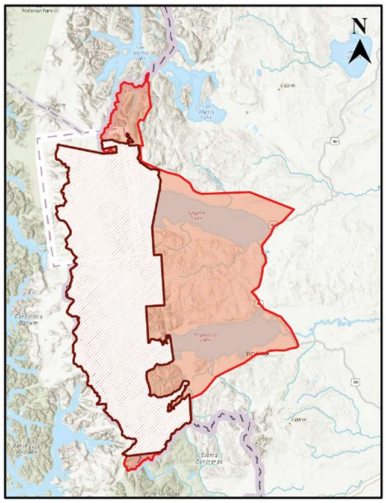
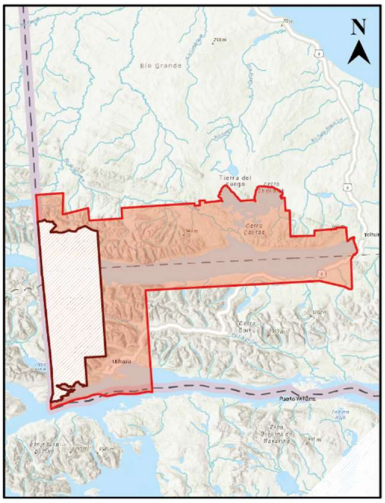
10. Blue Patagonia Corridor



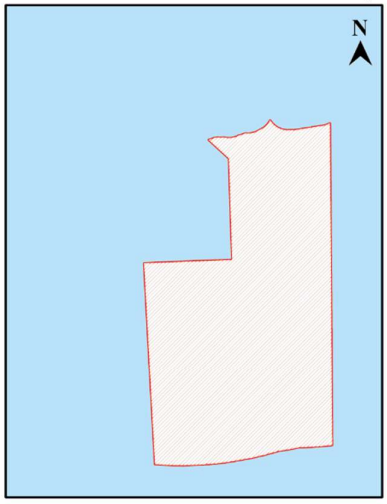
11. Glacier Landscape



12. Subantarctic Forests



13. Southern Ocean Marine Landscape



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