Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 08-Dec-2021 | Report No: PIDA31353

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Argentina	P175669	Sustainable Recovery of Landscapes and Livelihoods in Argentina Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
LATIN AMERICA AND CARIBBEAN	02-Dec-2021	24-Feb-2022	Environment, Natural Resources & the Blue Economy
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Argentine Republic	Administracion de Parques Nacionales	

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 1: Improved Management and Resilience of Selected Conservation and Production Landscapes and Seascapes
Component 2: Promoting Sustainable Livelihoods across Selected Landscapes
Component 3: Project Management, Monitoring, Evaluation

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

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context[1]

1. **Argentina has a historically large and strong middle 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 economic activities. Over the last 50 years, Argentina's average annual economic growth rate of 2.1 percent, lags that of the world (3.6 percent) and the region (3.2 percent). Decades of chronically low underinvestment 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) recently declining amid the large increase in public spending. By 2019, Argentina´s was of US$437.813 million, being the 29th largest GDP in the world.

2. **Argentina'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].

[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/

Climate-related natural hazards resulted in over 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% 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. 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. Decreasing crop yields and reduced access to drinking water negatively affect the health of poor people and pose a real threat to food security, pushing them even further into poverty. These trends are expected to aggravate under projected climate scenarios.

3. **The 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. By the end of 2019, 8,9 percent of Argentines living in the main urban areas were unemployed and 35,5 percent were poor, eight percent being extremely poor. The implementation of a fiscal stimulus package to support families and firms – equivalent to 6.5 percent of GDP[5] – coupled with an abrupt decline in revenues resulted in a central government (primary) deficit estimated at 6.5 percent of GDP in 2020.[6] 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. **Wealth and access to basic services are unevenly distributed both regionally and socially, being indigenous peoples one of the largest and most vulnerable groups of rural poor.** Rural population represented nine percent of the total population in the last national census (3.6 million people) and one third of this group was poor[7]. Up to one third of the population living in the northern provinces of the country have their basic needs unmet, being that one of the main reasons to migrate to urban areas. The average income per inhabitant in the northern provinces is 40% lower than the national average[8]. Unsatisfied basic needs among indigenous households almost duplicate the national average. Rural women have been particularly affected by the pandemic-related measures regarding access to food, education, employment, and gender violence[9].

5. **The economy has started to recover building on the broad reach of the vaccination campaign and**

[4] World Bank Group. 2021. Climate Risk Profile: Argentina (2021). The World Bank Group, 2021.
[5] Fiscal cost of the COVID-19 stimulus package is based on the Budget Progress Report to the Congress (June 2021) of the National Budget Office (*Oficina Nacional de Presupuesto*). The figure of 6.5 percent of GDP refers to the overall budget outlays to finance COVID-19 related expenditures in 2020, including 4.5 percent of GDP in fiscal impact measures and 2.0 percent of GDP in credit. https://www.economia.gob.ar/onp/presupuestos/2022
[6] Fiscal accounts for 2020 are based on National Public Sector cash statistics, which is used as a close proxy of accrued fiscal statistics that are usually released with some delay in the future. See https://www.economia.gob.ar/onp/estadisticas/
[7] World Bank Group. 2010. "The Invisible Poor. A Portrait of Rural Poverty in Argentina", World Bank, 2010.
[8] UNO, 2020. United Nations Country Analysis: Argentina 2020.
[9] Bidaseca, Aragão, Brighenti, Ruggero. 2020. Diagnóstico de la situación de las mujeres rurales y urbanas, y disidencias en el contexto de COVID-19.

the targeted fiscal support that was maintained during 2021, reaching pre-pandemic levels by August 2021, though in a very heterogeneous manner across economic sectors. According to the national authority projections, Argentina's GDP is expected to grow 8 percent in 2021 and 4 percent in 2022. Economic recovery has gradually picked up as containment measures have been progressively lifted, building 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, while the imperative to bring down the fiscal deficit could limit the scope for demand stimulus. 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 52.5 percent in September 2021.

6. **Regarding external debt, the Government of Argentina (GoA) successfully restructured the sovereign debt denominated in foreign currency held by private creditors.** 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. As from 2028, debt service obligations are equivalent to those that triggered the debt swap in 2020 and 2021. Authorities are holding conversations with the International Monetary Fund on a new program to refinance debt owed to this institution and will later have to negotiate with Paris Club members outstanding debt.

Sectoral and Institutional Context

7. **Argentina's abundant natural capital supports the development of the agriculture, forestry, fisheries and tourism sectors, which represent 15 percent of national GDP and near 20 percent of total employment.**[10,11] Agriculture, forestry and fishing represented five percent of the GDP in 2018, out of which 40 percent is estimated to be only from soy, wheat and maize production; 14 percent from livestock production; and two percent from the forestry value chain.[12,13] The agri-food value chains in these sectors employed approximately 1.9 million people in 2015, which represents 10 percent of total employment in Argentina, however, almost 60 percent of the agri-food jobs are informal,[14] 75 percent of Argentina's farms are "family farms", accounting for 18 percent of the country's agricultural land and producing 27 percent of total agricultural output.[15] In addition, tourism sector is the largest market-based contributor

[10] 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].

[11] 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].

[12] 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.

[13] World Bank Group. 2018. Argentina: Escaping crises, sustaining growth, sharing prosperity. World Bank, Washington, DC. World Bank.

[14] 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

[15] FAO, 2021. FAO Agricultural Watch, 2021. Available at: http://www.fao.org/world-agriculture-watch/our-program/arg/en/

to the financing of natural protected areas and usually generates jobs in local communities.[16] However, it depends heavily on accessibility and infrastructure for attracting tourists.[17]

8. **Climate change is threatening the provision of ecosystem services underpinning such economic activities, posing additional challenges to recover from the COVID-19 crisis;[18] and vulnerable people are the 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 semester of 2020,[19] destroying forests, rangelands, and infrastructure local communities depend upon. Subtropical regions of the country are affected by floods, effectively resulting in economic losses of up to 95 percent in affected areas.[20] Climate changes are already affecting the provision of ecosystem services such as the availability of freshwater; as well as the economic activities that benefit from 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 mortality of between 30 and 60 percent of livestock owned by small family producers.[21] These expected impacts will affect national parks as tourist destinations and a key source of livelihoods for the neighbouring communities. Floods and mudslides weaken transportation and tourism infrastructure, while road closures impede access to destinations, particularly those most isolated. Strengthening the management of natural protected areas is not only important for the mitigation effects on climate change and their ecological value, but also to improve the livelihoods of rural populations and their climate resilience.[22]

9. **Natural resource dependent sectors were particularly affected by the COVID-19 crisis.** Agricultural, livestock and forestry sector´s GDP dropped 10.6 percent in the second quarter of 2020 compared to the same period in the previous year, recently decreasing 3.9 percent than same period in 2020.[23] The fishing sector also suffered an interannual decline in its GDP of 14 percent, while latest official reports show that, in the second quarter of 2021, the sector GDP raised 28.2 percent compared to the same period in the previous year. With domestic and international travel banned during the lockdown, the tourism sector -part of which also relies on natural resources- faced a severe impact. During the same

[16] 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.
[17] World Bank Group. 2021. World Bank Data: https://datos.bancomundial.org/indicator/NY.GDP.MKTP.KD?locations=AR&most_recent_value_desc=true
[18] Project's Climate Risk Screening. World Bank Climate and Disaster Risk Screening Tool. Performed in January 2021.
[19] 2020. Ministry of Environment and Sustainable Development. 2020. Fire Management Report of October 13th. 2020
[20] World Bank Group. 2021. Climate Risk Profile: Argentina (2021). The World Bank Group, 2021.
[21] 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
[22] Specifically, the project will contribute to the resilience of ecosystems (and the associated vegetation/biodiversity) in selected landscapes and seascapes through Sustainable Landscape Management (e.g., land use planning; habitats conservation; governance strengthening; resilient infrastructure construction; among others). Project activities will focus on enhancing the adaptive capacity (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), and the absorptive capacity (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) of ecosystems.
[23] INDEC. 2021. Activity Level Progress Report. Fourth Trimester of 2020.

period, tourists visiting national protected areas was 93.4 percent lower than the previous year, being only resident tourists,[24] which will likely have an adverse impact on protected area management and conservation finance.[25] In parallel, deforestation persisted during the COVID-19 outbreak mainly for soy and livestock production.

10. **Paradoxically, despite natural resources being at the basis of Argentina's socio-economic development, the lack of climate informed planning and environmental enforcement at landscape level are enabling rapid degradation of natural capital, with deleterious consequences for biodiversity and the provision of ecosystem services, which in turn leads to reduced resilience across local communities.** Argentina is ranked 15th in terms of the estimated number of globally important endangered species that inhabit its territory, being habitat loss, degradation and fragmentation, illegal hunting and fishing, invasive exotic species, pollution and climate change[26] the main threats.[27,28] Between 2000 and 2013, unsustainable agriculture and livestock practices caused a 26 percent drop in the terrestrial ecosystem services provision index.[29] Moreover, between 2001 and 2019, Argentina lost 15 percent of its forest cover due to rapid expansion of cropland (mainly for soy production), often pushing unsustainable pasture production into forests and other higher-value biomes.[30,31] Deforestation for livestock and agriculture production caused almost eight percent[32] of Argentina's Greenhouse Gas Emissions (GHG).

11. **Lack of Sustainable Landscape Management (SLM) approaches in many rural areas of the country reduce their capacity to adapt and absorb climate and other shocks and restricts opportunities for socioeconomic recovery.** Argentina's landscapes are missing (i) landscape level planning; (ii) infrastructure, capacities and data to secure the protection of key parts of landscapes and their ecosystem services (e.g., water quality and quantity, carbon sequestration) and increase tourism revenues; and (iii) direct support to livelihood growth and resilience. 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, the lack of climate change considerations in SLM approaches poses a significant challenge to climate action. Rural communities are heavily dependent 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-rising and

[24] Ministerio de Turismo y Deportes. 2020. Turismo de Naturaleza. Dirección Nacional de Mercados y Estadística.
[25] World Bank Group. 2021. World Bank Data: https://datos.bancomundial.org/indicator/NY.GDP.MKTP.KD?locations=AR&most_recent_value_desc=true
[26] SAyDS. 2010. Secretaría de Ambiente y Desarrollo Sustentable de la Nación. 2010. Convenio sobre Diversidad Biológica-Cuarto Informe Nacional.
[27] 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
[28] 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.
[29] Global Forest Watch (GFW). 2020. Available at: globalforestwatch.org/dashboards/country/ARG. [Accessed: July 2020].
[30] World Bank Group. 2018. Argentina: Escaping crises, sustaining growth, sharing prosperity. World Bank, Washington, DC. World Bank.
[31] 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.
[32] 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.

the construction of energy efficient and resilient infrastructure, have proven to be job multipliers and can boost income generation and GHG emissions reductions. A clear opportunity also lies on nature-based tourism, a sector that could create up to 300,000 jobs in Argentina and produce benefits in income, local economies and GDP.[33] Given the expected climate change impacts on the ecosystems and the high dependency of these communities to them, implementing these practices and diversifying the livelihoods of the rural populations, is a key aspect to strengthen their climate resilience. The implementation of these initiatives could promote reinvestment in Green, Climate-smart and Inclusive Development across Argentina's landscapes, building the baseline for a new integrated approach to managing natural capital and the sectors that depend on it.

12. **In rural areas, there is an asymmetric relationship between men and women in terms of income, employment opportunities, and access to benefits.** 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[34]. The 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 by being linked to few or no commercialized products[35]. In addition, women in rural areas work 14 hours more than men a week when considering unpaid care activities. Nevertheless, women play an important role in family driven agriculture as they are the main responsible for rearing small farm animals (goats, pigs, sheep, poultry), managing orchards, producing handicrafts, harvesting forest fruits, cheese production, and for children caregiving[36].

13. **The country has selected 13 landscapes and seascapes critically vulnerable to climate change for testing and scaling up integrated landscape management approaches to secure ecosystem services and improve resilience; curbing the vicious circle described above.** Landscapes were selected in relation to the aggregated impacts of climate-related hazards (i.e., droughts, floods) and the vulnerability of the local ecosystems and/or populations to climate stressors. The selected landscapes spread across eight different ecoregions, representing most of the country's biomes (Yungas Rainforest, Dry Chaco Forests, the Patagonian Forests, Sierras and Bolsones hills, Parana River Delta and Islands, Patagonian Steppe and the Argentine Sea). Within those selected landscapes/seascapes, natural protected areas – key sources of ecosystem services – are connected with production lands that are still mostly dominated by natural ecosystems. 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 hectares, including 20 million hectares of land and 9.4 million hectares of marine ecosystems. Out of that area, at least 12.3 million hectares are under different forms of natural protected areas (Categories I to VI of the International Union for the Conservation of Nature, Dudley 2008). An estimated 10.4 million hectares of productive lands are located within the selected landscapes (including forests, agricultural production, bush, and pastureland).

[33] Ibid.

[34] 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

[35] Ferro, S. 2013. "Género y propiedad rural". UCAR 2013.

[36] Dallmann, Ingrid and Perge, Emilie. 2019. Forests and Poverty in the Chaco Ecoregion – Argentina. Descriptive and Quantitative Study.[37] Parameters and assumptions were prepared in consultation with the National Counterpart engineer's experts and based on past infrastructure use data. Emission factors were obtained from national guidelines.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

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

Key Results

15. The PDO level indicators are:
    a. Increased management effectiveness of Protected Areas within selected landscapes and seascapes, disaggregated by type of PA and area (percent increase score)
    b. Land area under sustainable landscape management practices, disaggregated by type of practice (Productive or conservation) and landscape (hectares) – World Bank (WB) Corporate Results Indicator
    c. Landscapes with improved climate resilience, disaggregated by type of practice (Productive or conservation) and landscape (hectares)
    d. People in targeted landscapes with increased benefits for climate resilience (disaggregated by monetary/non-monetary, women, indigenous) (number)

D. Project Description

16. **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 the management of carbon stocks and sinks to reduce the GHG emissions from the 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 the 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 by supporting the diversification and consolidation of existing economic activities along with their value chains, and strengthening their adaptive and absorptive capacities against 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 the 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 against 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.

17. **Component 1: Improved Climate Resilience and Management of Selected Conservation and Production Landscapes and Seascapes (US$40.75 million, of which: US$29.63 million International Bank for Reconstruction and Development (IBRD), US$8.12 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.

18. **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$6.73 million IBRD, and US$1.09 million PROGREEN).** This sub-component will produce strategic knowledge and plans that will guide the implementation of the project by providing a better understanding of climate vulnerabilities and risks, as well as other relevant integrated landscape management challenges. The knowledge and plans will guide the prioritization of investments and the design of grants to be implemented under other Project sub-components, supporting ecosystems' management, and contributing to ecosystem-based climate adaptation across the landscapes.

19. **This subcomponent will finance consultancy services and costs related to public consultations and stakeholder's engagement (e.g., travel and workshops) for the development of analytical and knowledge products to provide data, evidence and guidelines for increased resilience and Sustainable Landscape Management.** 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. Overall, plans and studies will be targeted at increasing landscape-scale connectivity (i.e., by increasing permeability of different land-use patches) and identifying value chains that maximize benefits for local communities (and particularly women), considering projected climate change impacts and ways of reducing them. Together, these interventions will contribute to increasing resilience of natural resource-based livelihoods in the selected landscapes. Activities will be differentiated between those that will receive co-financing from PROGREEN Trust Fund (1.1.A.), which will be implemented in Yungas and Chaco; and those activities implemented elsewhere (1.1.B.), which will be financed solely by IBRD.

20. **Sub-component 1.2: Strengthening technical capacities and knowledge of public servants (US$1.06 million IBRD).** This sub-component will finance the upskilling of public servants and the development of scientific research in selected landscapes to provide new evidence, methodologies and tools for improving ecosystems' climate resilience and management, and understanding climate vulnerability of rural communities' livelihoods (e.g., studying the impacts of projected climate change impacts, testing of new methods for exotic species control, gathering of evidence on the effect of sustainable landscape management on livelihoods and biodiversity indicators, etc.).

21. **Protected areas systems' agents will improve their competences for implementing climate resilient and integrated landscape management approaches.** Public servants from the protected areas agencies (at least 300 from national agency and 24 from provincial agencies) will receive postgraduate education and field training aiming at strengthening their abilities and competences to plan, implement, monitor, evaluate and scale up the different 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.

22. **Among National Park Administration's (APN) staff to be trained, 30 Specialization and 10 Masters**

scholarships will be awarded, and 15 applied research subprojects will be funded. Considering the information produced by the studies from subcomponent 1.1, scholarships and research subprojects will be prioritized, particularly taking into account their contribution to the project objective, and to fill-in gaps in relation to the links between climate vulnerability, ecosystem management, and rural livelihoods. At least 70 researchers from the national research and development (R&D) system will be engaged in these subprojects. Detailed guidelines, criteria and mechanisms for subproject selection and scholarship awards will be included in the Project Operational Manual (POM).

23. **Sub-Component 1.3**: **Building climate resilient and low emissions infrastructure to support nature-based tourism (US$31.87 million, of which: US$21.84 million IBRD; US$7.03 million PROGREEN and US$3 million Government).** Considering the information produced by the studies, designs and research financed in subcomponents 1.1 and 1.2, infrastructure will be built, upgraded, revamped and equipped (e.g., movable housing or office modules, vehicles, information and communications technology, etc.) to improve management effectiveness, or improve nature-based tourism revenues in the selected landscapes.

24. **The sub-component will enhance the local capacities in the selected landscapes for wildfires and other extreme climate events' forecasting, prevention, response and surveillance; crisis management (e.g. those caused by floods), low-carbon tourism and business expansion, and public services provision 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 to ask assistance from)**. This will be achieved by investing in 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. The financing of works identified in existing climate adaptation, landscape, and sectorial planning documents (e.g., Chaco Corridor Strategic Plans, etc.) will be prioritized. Activities under this sub-component will be differentiated among those that have co-financing from PROGREEN Trust Fund (1.3.A.), which will be implemented in Yungas and Chaco; and activities implemented elsewhere (1.3.B.), which will be financed solely by IBRD.

25. **Climate resilient, resources and energy-efficient, and environmentally friendly construction will contribute to the management of ecosystems and to increase the economic benefits of nature-based tourism, while contributing to reducing GHG emissions**. All (100 percent) of the new and revamped facilities and equipment financed by this sub-component will follow best practices for thermal insulation, energy efficiency, and resources circularity (i.e., water reutilization) for increase resilience. This will be achieved by adopting the national bio-environmental standards, 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 best practices available from the international industry will also be considered. This approach means measures will be taken to reduce consumption of water and gas, collect rainwater, treat water through energy and water-efficient brown and greenfield water systems, or reuse of water discharges for secondary uses. The rehabilitation and construction of new infrastructure, equipment modernization and trainings related to green building operation technics, will have a potential for energy savings of at least

3.5 million kWh/year and avoiding emissions for [37]. In addition, all new buildings will also be universally accessible, whenever technically and financially feasible.

26. **Component 2: Promoting Sustainable Livelihoods Across Selected Landscapes (US$13.98 million, of which: US$11.18 million IBRD and US$2.80 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. The component will be informed by the studies and plans produced in subcomponent 1.1, and the research subprojects financed through subcomponent 1.2. 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.

27. **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$9.53 million is from IBRD; and US$2.29 million is from PROGREEN).** This sub-component will mainly contribute to improving livelihoods of local communities by financing grants through community driven development instruments with a focus on ecosystem-based adaptation.[38] The subcomponent will finance grants for three types of subprojects (types A, B and C), which will be prioritized based on their benefits to 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. For example, to conserve the ecological functions and processes across the landscapes and seascapes against climate changes; and to increase the absorptive capacity of their ecosystems, 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. The subprojects will contribute to preserving, restoring and/or enhancing the habitat connectivity in linkages zones between protected areas and increase the climate resilience of critical biodiversity. Activities will be differentiated among those that have co-financing from PROGREEN Trust Fund (2.1.A.), which will be implemented in Yungas and Chaco; and activities implemented elsewhere (2.1.B.), which will be financed solely by IBRD.

28. **These community driven investments required to multiplicate low impact productive land uses across prioritized landscapes will be implemented in over 900,000 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 project support, through these subprojects communities will get increased

[37] Parameters and assumptions were prepared in consultation with the National Counterpart engineer's experts and based on past infrastructure use data. Emission factors were obtained from national guidelines.

[38] 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-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.

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 market access. Special focus will be put in women participation in decision making processes that are part of sub-projects identification and design, as well as in the sharing of benefits from their implementation. The subprojects will be prioritized (based on criteria detailed in the POM) to contribute to ILM, in alignment with the outputs from subcomponent 1.1.

29. **Sub-component 2.2. Training vulnerable population for creating and accessing green (resilient and low carbon) jobs (US$2.16 million, out of which US$1.65 million is from IBRD; and US$0.51 million is from PROGREEN).** Training for green jobs[39] to be provided will be selected based on information produced by studies and research from Component 1, prioritizing those that address key climate-vulnerable groups; and those identified as with the most potential for growth when considering the projected climate changes in each landscape or seascape. The sub-component aims at building human capital by improving the 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. 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 the training programs to be delivered 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, the selection of the 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 where a better balance between genders can be achieved; or those in sectors where jobs are preferred by women). Minimum quotas for women will also be set up in the POM as part of the training beneficiaries selection criteria.

30. **Component 3: Project Management, Monitoring, Evaluation (US$5.27 million, of which: US$4.19 million IBRD and US$1.08 million PROGREEN).** This component will strengthen the APN capacity to carry out the administrative and financial management, procurement, overall monitoring and reporting of project progress and results, the development of the Project's communication and stakeholders´ engagement strategies, the oversight of all the climate-awareness actions so be supported by the Project and the compliance with the applicable environmental and social standards, including the administration of culturally appropriate grievance redress mechanisms. Activities will be differentiated among those that have co-financing from PROGREEN Trust Fund (3.A.), which will be implemented in Yungas and Chaco; and activities implemented elsewhere (3.B.), which will be financed solely by IBRD.

31. This component will finance: (i) the provision of support for the technical and administrative coordination of the Project, including the hiring of consultants to staff APN's General Project Coordination (CGP), (ii) the implementation of the fiduciary aspects of the project; (iii) overseeing of the application of Environmental and Social standards; 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

[39] Green jobs are defined, for the purpose of this project, as "Economic activities that are climate-resilient, carbon neutral as possible, and have low environmental impacts". Capacity building for green jobs supported by the project will be focused at 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.

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.

32. **In addition, this component will finance a comprehensive Project evaluation process**. It will be focused on generating evidence about the contribution of this Project (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[40]; 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, for its acronym in Spanish) from Argentina's presidential office. SAE will lead the development of Terms of Reference (ToR) to hire an "Evaluation Agent".

33. **This sub-component also seeks to support the mainstreaming of an evaluation culture across Argentina's national policies, and to link the State duties with the knowledge production areas, aiming at contributing to the development of a National Development Strategy**. It will also integrate the data produced for the Project evaluation with the broader national, provincial and ministerial data and statistics systems, within the framework of Argentina's Public Information Access Law.

C. Project Beneficiaries

34. **The Project beneficiaries can be described in four groups adding up to 5.8 million people:**

35. **The first group of direct beneficiaries is composed of, at least, 15,000 people from local communities, including rural, peri-urban and small urban communities that are vulnerable to climate change, given their livelihoods directly depend on the environmental goods and services from the ecosystems located in the selected landscapes.** This group of direct beneficiaries represent around 5% of the rural population of the selected intervention areas, and approximately 3,300 households. It will include campesinos, small and medium-size producers, from which an estimated 55% will be from indigenous peoples, and 45% will be 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 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.

36. **A second group of direct beneficiaries is represented by public servants from the Federal Protected Areas Systems and from the national R&D system.** About 300 staff from the national PA system (20% 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. Among them, 40 staff from the National Protected Areas Systems will benefit from postgraduate trainings that will increase their capacities in strategic areas that contribute to mainstreaming integrated landscape approaches into APN's management.

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

37. **A third group of beneficiaries is integrated by the tourists visiting the protected areas within the selected landscapes, projected to reach about 5.5 million by 2025.** This group will benefit from Project investments in infrastructure and the related improvements in touristic services. The quality of tourists´ visiting experiences will be improved because of the new and renewed climate-resilient and universally accessible infrastructure in the protected areas (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 the related improved touristic services for different tourist profiles (hikers, cyclists, backpackers, runners, birdwatchers, campers, etc.).

38. **The fourth group of beneficiaries is comprised of a portion of the population within the selected landscapes, who will benefit from the spillovers generated by a higher level of local economic activity, and increased/maintained ecosystem services.** This group of beneficiaries is estimated to represent 300,000 people (5% of the total population from the selected landscapes), primarily involving local providers of tourism and related services (i.e. 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 -museums, entertainment, etc.).

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

39. **The Overall Project environmental and social risk is deemed Substantial (considering environmental risk as Moderate and social risk as Substantial)**. The expected environmental impact of the project is largely positive. At this stage, the proposed project financed activities are not expected to have significant adverse environmental risks or impacts on human populations and/or the environment. Impacts are not expected on physical, cultural and/or archaeological sites. But a building of the APN that is declared a National Historic Monument by Law will be remodeled. However, there is social risks associated with the context based on a history of conflict and/or dispute around land tenure that could condition the implementation of some of the project activities.

E. Implementation

Institutional and Implementation Arrangements

40. **The recipient of the finance will be the Republic of Argentina**. The implementation of the Project will

be delegated to the National Parks Administration (APN, for its acronym in Spanish) as the executing agency.

41. **To implement the Project, APN will set up a "General Project Coordination" unit (CGP, for its acronym in Spanish).** The CGP will be headed by a Coordinator that will report to two different internal units within APN's structure, the National Conservation Directorate, and the General Administration Directorate (DNC, and DGA for their acronym in Spanish). Such units will have differentiated competencies when it comes to Project implementation. The CGP will retain most of the staff that has implemented a previous project (P114294) and has been trained in WB procedures to ensure the retention and strengthening of built capacities.

42. **The CGP be integrated by five thematic teams, each of which will have representatives both in APN's headquarters and in the field, on each of the selected landscapes**. Such thematic teams will be: i) the Technical team; ii) the Administrative and Financial Management team; iii) the Procurement and Contracts team; iv) the Environmental and Social Risks Management Team; and v) the Monitoring and Evaluation Team. The representatives from the thematic teams based in the field will integrate landscape-specific sub-teams led by a landscape focal point. An organizational chart describing the structure and reporting lines of the team to be constituted to implement this Project will be included in the POM.

43. **APN's DNC will oversee the CGP on the implementation of the technical aspects of the Project implementation.** The DNC will be the main responsible for the coordination and implementation of the different intervention strategies described under the Project components, ensuring their harmonization and alignment with the expected Project results and development objective. It will also coordinate the involvement of APN's National Infrastructure Directorate, the National Marine Protected Areas Directorate and the National Public Use Directorate, the National Operations Directorate, and the Communications and External Affair Directorate when required. For example, their involvement may be required for the development of Terms of Reference, technical specifications and other bidding documents required to implement the Project Procurement Strategy for Development (PPSD); the supervision or review of outputs from such procurement processes; or the implementation of specific Project-related activities.

44. **APN's DGA will oversee the CGP on the fiduciary aspects of Project implementation.** It will be responsible for undertaking the procurement activities, financial management functions of the project comprising budgeting, accounting and financial reporting, internal control, disbursements and documenting expenditures to the Bank and external auditing arrangements. It will also coordinate the involvement of APN's Legal Affairs General Directorate, and the Human Resources General Directorate, when required. The CGP will also oversee the proper implementation of the applicable Environmental and Social standards and will be responsible for implementing the Project results monitoring.

45. **Professionals will be appointed to strengthen APN's CGP, adding the necessary profiles and skills to those already available in APN's staff, and ensuring an appropriate workload and distribution; as well as back-up arrangements sufficient to cope with usual and unforeseen events, preventing implementation delays**. The profiles and role description of key staff required to implement the

Project will be detailed in the POM. Key staff to be hired by the Project will be appointed through competitive and public processes described in the POM.

46. **Among the key staff, one focal point will be appointed for each of the selected landscapes and seascapes, who will be the main responsible for the coordination with internal and external Project governance structures.** Such focal point will be representative from the CGP's Technical Team responsible for coordinating and overseeing the implementation of the different activities to be implemented by the project in a specific selected landscape or seascape, ensuring synergies with the local stakeholders and alignment towards the achievement, monitoring and communication of the project expected results and development objective.

CONTACT POINT

World Bank

Pablo Francisco Herrera
Senior Environmental Specialist

Gabriela Encalada Romero
Senior Environmental Specialist

Tomas Ricardo Rosada Villamar
Senior Agriculture Economist

Borrower/Client/Recipient

Argentine Republic

Implementing Agencies

Administracion de Parques Nacionales
Natalia Jauri
Vice-Presidenta del Directorio de la APN
ngjauri@apn.gob.ar

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

APPROVAL

Task Team Leader(s):	Pablo Francisco Herrera Gabriela Encalada Romero Tomas Ricardo Rosada Villamar

Approved By

Practice Manager/Manager:		
Country Director:	Paul Procee	08-Dec-2021