

**PROJECT INFORMATION DOCUMENT (PID)  
CONCEPT STAGE**

Report No.: AB4371

<b>Project Name</b>	AR Rural Poverty
<b>Region</b>	LATIN AMERICA AND CARIBBEAN
<b>Sector</b>	Other social services (100%)
<b>Project ID</b>	P106685
<b>Borrower(s)</b>	Government of Argentina
<b>Implementing Agency</b>	Subsecretaría de Desarrollo Rural y Agricultura Familiar
<b>Environment Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
<b>Date PID Prepared</b>	December 3, 2008
<b>Estimated Date of Appraisal Authorization</b>	February 17, 2009
<b>Estimated Date of Board Approval</b>	March 25, 2010

1. Key development issues and rationale for Bank involvement

Key Development Issues. For decades, medium and large-scale agriculture has been the engine of Argentine growth and periods of prosperity. Within the rural population approximately a third or more than a million people live in poverty measured by virtue of having one or more unmet basic needs. By this criterion, there are proportionally more poor people among rural dwellers than among urbanites. Among rural dwellers, poverty is even more deeply entrenched among people living in dispersed settlements, sometimes isolated households.<sup>1</sup> The rural poor, scattered across Argentina's vast territory, consists of small rural producers, non-farm producers, rural workers, migrant workers and others.

**One of the largest groups of rural poor consists of indigenous people who are found in nearly every Province of Argentina** No comprehensive program aimed primarily at the indigenous populations of Argentina has yet been developed.

**In addition to a large segment of the indigenous population of Argentina, there are other rural poor.** These consist of small farmers and other rural producers who lack access to resources, technology and credit to allow them to reach levels of productivity sufficient to lift them out of poverty. There are also landless rural dwellers who work as sharecroppers, rural workers, migrant laborers or in other activities.

**The Government of Argentina has recently placed considerably more emphasis on poverty alleviation.** Following successive financial crises of 1995 and 2000 – 2002, many Argentines experienced real poverty for the first time. In October 2008, a new Subsection was created within the Agricultural Secretariat (SAGPyA): the Subsection for Rural Development and

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<sup>1</sup> World Bank (2007) "The Invisible Poor: A Portrait of Rural Poverty in Argentina" a Report by the Latin America and Caribbean Region of the World Bank.

Family Agriculture (SDRyAF). The Subsection was established in October 2008<sup>2</sup> and the first Subsecretary was appointed shortly thereafter.

## 2. Proposed objective(s)

The proposed project reflects the first comprehensive program that seeks to improve the conditions and life chances of Argentina's largely rural indigenous populations and other rural poor populations, some of which may actually coincide.<sup>3</sup>

The project development objective is to raise incomes and improve livelihoods among the rural poor of Argentina.

The project would contribute to the Government of Argentina's overall strategy for approach to helping this traditionally "invisible" population to participate more fully in the national economy and the wealth that it generates. More specifically, the project would:

- ⌚ Assist rural producers (both agricultural and non-agricultural) to raise productivity, improve the quality of their products, market their products successfully, and diversity their production;
- ⌚ Provide direct support to indigenous and other poor people to assist them in acquiring technology, gaining access to information, gaining access to natural resources, protecting and asserting their legal rights;
- ⌚ Strengthen rural organizations and assist them to develop their capacity for joint decision making, formulating and presenting demands, and working together to achieve common goals;
- ⌚ Assist poor rural populations to achieve greater food security and well-being;

The project would also help strengthen the institutions that are or potentially could provide the kinds of assistance referred to above. Specifically, the project would

- ⌚ Assist the newly formed Rural Development and Family Agriculture Subsection (SDRyAF) to prepare itself for the task of assisting the rural poor;
- ⌚ Strengthen the provincial agencies organized to assist the rural poor and family agriculture; and
- ⌚ Set up a Rural Poverty Observatory aimed at collecting, analyzing and disseminating information on rural poverty, in a broad sense, in order to better understand the problems faced by the rural poor, find best practices and furnish this information to potential users in a suitable form.

## 3. Preliminary description

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<sup>2</sup> Resolución (SAGPyA) 395/08. Del 29/10/2008. B.O.: 5/11/2008. Determinanse los objetivos de la Subsecretaría de Desarrollo Rural y Agricultura Familiar

<sup>3</sup> The proposed project would also assist indigenous people living in urban areas and the urban periphery to the extent that they can be identified and that they are not already receiving substantial assistance from other

The proposed lending instrument is a Sector Investment Loan of US\$49 million over a five-year period. The total project cost is estimated at US\$70 million.

The proposed project would comprise three components. **Component 1** would finance Institutional strengthening for the newly created Rural Development and Family Agriculture Subsection (SDRyAF) and for Provincial Administrative Units focused on family agriculture and rural development. **Component 2** would directly support development activities among Indigenous Communities and other vulnerable rural groups across Argentina. **Component 3** would support project administration including monitoring and evaluation (M&E) and project communications.

4. Safeguard policies that might apply. The specific subprojects that would receive financing under Component 2 will be identified during implementation. Therefore the Borrower will prepare a Social and Environmental Framework. This will cover the following possible safeguard issues: Among the safeguards that may be triggered are: Environmental Assessment ([OP/BP/GP 4.01](#)), Natural Habitats ([OP/BP 4.04](#)), Pest Management ([OP 4.09](#))<sup>[0]</sup>, Indigenous peoples ([OP/BP 4.12](#)), Forests ([OP/BP 4.36](#)), Involuntary Resettlement ([OP/BP 4.16](#)), and Cultural Property ([OP/BP 4.11](#)). *Mitigation:* the Client has previous experience with Bank safeguards.

#### 5. Tentative financing

Source:	(US\$m.)
Borrower	21
International Bank for Reconstruction and Development	49
Total	70

#### 6. Contact point

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