

Argentina**Renewable Energy for Rural Areas Project
and
Forests and Community Project****Chair Summary*****April 7, 2015**

The Executive Directors approved the loan in the amount of US\$200 million to the Argentine Republic for the Renewable Energy for Rural Areas Project (R2015-0057), and also approved the loan in the amount of US\$ 58.76 million to the Argentine Republic for the Forests and Community Project (R2015-0058), both loans on the terms set out in their respective President's Memoranda. The Minutes will reflect that Ms. Hines wished to be recorded as abstaining on both proposals.

Directors noted that the projects are aligned with the new Country Partnership Strategy and build on the World Bank Group's successful and long standing partnership with Argentina on rural energy access and forest management programs. They underscored the importance of engaging with Argentina to promote inclusion and equity in light of the World Bank Group twin goals of eliminating extreme poverty and boosting shared prosperity, and welcomed the targeted focus of these operations on the poorest and most vulnerable, including indigenous people.

Forests and Community Project

Directors supported the project's development objective to improve forest management and increase access to markets and basic services by small forest producers. Directors encouraged the authorities and the Bank team to monitor project impact and noted that to improve forest management, incentive payments should be performance-based, and that women in forest fringe communities must benefit. They also underlined the importance of a robust grievance mechanism and attention to land tenure issues.

Directors recognized the importance of strengthening both capacity and communication among small forest producers to increase incomes at the household level. Improved monitoring of forests through the introduction of an early warning system, and strengthened controls on timber transport within and between participating provinces, were also supported by Directors.

Renewable Energy Project

Directors supported the Project's development objective to enhance access to energy services in selected rural areas of Argentina. Directors valued the different actions supported by the Project, they acknowledged that strengthening environmental, technical and financial sustainability would be a key challenge, and encouraged the authorities and the Bank team to monitor this issue during Project implementation.

Directors highlighted the importance of a sustainable approach, acknowledging the Project's expected contributions to provide or enhance the availability of energy infrastructure for rural households. They also appreciated the operation's support to improve energy security, diversify Argentina's energy matrix, and reduce negative environmental impacts. Finally, they recognized the Project's focus on providing tailored assistance and capacity-building activities to allow the poorest provinces and communities to benefit from national resources.

* This summary is not an approved record.