

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

Report No.: AB6139

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<b>Project Name</b>	Rural Corridors and Biodiversity
<b>Region</b>	LATIN AMERICA AND CARIBBEAN
<b>Sector</b>	Forestry (50%);General agriculture, fishing and forestry sector (50%)
<b>Project ID</b>	P114294
<b>GEF Focal Area</b>	Biodiversity
<b>Borrower(s)</b>	ARGENTINE REPUBLIC
<b>Implementing Agency</b>	
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	Administration of National Parks Argentina
<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>	February 9, 2011
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**1. Country and Sector Background**

Argentina, with over 280 million ha of land, is rich in biodiversity and contains vast native landscapes over 18 diverse eco-regions. Yet, 20 percent (60 million ha) of the country is considered degraded. The country suffers from high rates of deforestation (240,000 ha annually<sup>1</sup>), most of which occurs in the Parque Chaqueño (Chaco)<sup>2</sup>, and disturbances from cropping and ranching in grasslands, especially the Pampas and Patagonian steppe<sup>3</sup>. Despite the importance of these ecosystems for biodiversity, less than two percent are under formal protection and inter-agency conservation efforts outside protected areas are almost completely absent.

**A. Sectoral and Institutional Context**

Whereas native forests and grasslands once covered most of the country, human activities now dominate or fragment much of the natural environment. As disturbances increase, the native

<sup>1</sup> FAO. Forest Resource Assessment 2010. Rome, Italy.

<sup>2</sup> Over 76% of the country's 33 million ha of forests are located in the Chaco ecoregion, 12% in the sub-tropical Yungas, 4% are in the Upper Parana Atlantic Forests of Misiones Province, and 6% in the Patagonian Andes and Tierra del Fuego, with less than 1% in the north-central Espinal.

<sup>3</sup> Dinerstein et al., 1995 classifies the Chaco and the Patagonian Steppe ecosystems among the highest priorities for conservation in South America.

ecosystem's internal connectivity is diminished, with distances between remnant patches of native vegetation increasing and patches becoming smaller. This process, called fragmentation, leads to habitat destruction and, consequently, the loss of biodiversity. To confront this threat, the Argentine Administration of National Parks (APN) has adopted a "corridor approach" to conservation, to lend more continuity and connectivity throughout the country's ecosystems, as well as increased coherence in the protection of biodiversity through the national parks' system<sup>4</sup>. This poses a sizeable challenge for a national agency, whose official scope of protected areas covers only 1.3% of the country's terrestrial ecosystems<sup>5</sup>; and underscores the need to bring other agencies and stakeholders, particularly provinces, together in a concerted effort to conserve biodiversity.

While APN's protected areas' coverage is only a fraction of what is needed for effective corridor management, provinces along with private, local and community stakeholders can help to bridge that gap. Provinces alone contribute over 21 million ha to the protected areas system, and, though not numerous, private protected areas complement biodiversity conservation in corridors as well. Participation of rural communities and private landholders could also be mobilized outside the protected areas, to help bring their practices in line with conservation objectives. Models for such conservation-compatible activities with rural producers were successfully piloted by APN in the AR GEF Biodiversity Conservation Project, TF 028372, and provide important lessons learned for scaling them up to the demands of corridors.

The provinces, in particular, need assistance; about 50 percent of their protected areas have no management, another 30 percent lack sufficient funding and staffing, and only the remaining 20 percent are considered fully operational. The regulatory framework for private protected areas is unclear, and presently there are no incentives to encourage their development. Community and local involvement in biodiversity conservation is almost totally lacking, except in buffer zones near some national parks.

## **2. Objectives**

The Global Environmental Objective of the project is *to increase protection of vulnerable natural areas and conserve biological diversity through the creation, strengthening and operational startup of protected areas, strengthening of the SIFAP and provincial and private-sector conservation capacities, as well as through interventions to initiate model corridors in the Argentine Chaco and Patagonian Steppe and Coastal-Marine ecosystems.*

The GEO is supported by the PDO of the associated IBRD project, Sustainable Natural Resources Management, LN 7520 AR, which is *to improve the sustainable and efficient management of forest resources, conserve biodiversity in protected areas and forest landscapes, and integrate small producers into forestry development and conservation.*

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<sup>4</sup> Corridors are spatially and ecologically-specific landscape elements which provide connectivity between discrete patches to form ecological networks -- they are key components for an ecosystem approach to conservation, as recommended by the CBD in Secretariat of the Convention on Biological Diversity (2004) *The Ecosystem Approach*, (CBD Guidelines) Montreal: Secretariat of the Convention on Biological Diversity 50 p.

<sup>5</sup> The national protected areas system, managed by the National Parks Administration (APN) covers 3.5 million hectares and includes 36 protected areas and 4 "natural monuments".

### 3. Rationale for Bank Involvement

The Government's interest in a project in the conservation and rural sector has been confirmed on a number of occasions, and priorities emerging from those discussions have been incorporated into the current CAS and the present project. The current Argentina CAS refers to promoting agricultural growth, reducing rural poverty, and *improving environmental management*. In addition, the CAS highlighted that "Argentina's growth has long been, and will continue to be, based in significant part on its tremendous natural comparative advantages".<sup>6</sup>

A World Bank co-sponsored publication *Argentina: State of the Environment 2005*,<sup>7</sup> concluded that "According to the sustainable development indicators published by the Secretariat of the Environment, the major environmental trends are still of great concern." Destructive trends include increased deforestation and its consequent loss of biodiversity; erosion and water contamination from intensive agriculture and grazing; and depletion of fisheries in the Patagonia region, among other issues of environmental concern. Demonstrating its commitment to sustainable development, the Government of Argentina is engaged directly with the World Bank to address this wide range of natural resource management (NRM) issues.<sup>8</sup> The national-level Ministry of Agriculture (MAG), Secretariat of the Environment (SAyDS), and Ministry of Tourism (which includes the National Parks Administration or APN) have assumed prominent roles in this process, applying new capacities gained through several recently closed and ongoing Bank projects. SAyDS and MAG are working now to enhance capacity of provincial and local governments for natural resource management through the associated IBRD project; while APN, as implementing agency for the GEF project, will lead on conservation issues and work jointly with provinces in the development of protected areas and with SAyDS to strengthen the SIFAP as an instrument for cooperation in conservation efforts with the national and provincial governments.

The Bank has gained considerable experience in all of the various NRM sectors. Examples are the recently closed *Forestry Development Project*, *Native Forests/Protected Area Project*, the GEF *Biodiversity Conservation Project*, and various agriculture-sector projects with elements closely tied to land and water conservation. The project would be partially blended with the recently approved IBRD *Sustainable Natural Resource Management Project*, which includes the objective to advance the design of the Chaco conservation corridor. Investments through this project in the overall national protected areas system will provide co-financing to this GEF operation through strengthening several core areas of the corridor ecosystems as well as improving national capacities and infrastructure to provide services, conserving biodiversity, and increasing sustainable economic development primarily through the tourism sector. Given these links to other technical and infrastructure investments, the Bank has a strong comparative advantage as an Implementing Agency for this proposed GEF project.

*The project is complementary to other government efforts*

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<sup>6</sup>Argentina Country Assistance Strategy, May 4, 2006, Report No. 34015-AR, pg. 146.

<sup>7</sup> Brown, A. et al. 2006. *La situación ambiental argentina 2005*, Fundación Vida Silvestre

<sup>8</sup> These environmental issues are commonly described as "green" (natural resources) issues. The Government has also engaged the Bank in an ongoing dialogue on the so-called "brown" (pollution), and "blue" (water resources management) issues which are integrated into other operations discussed in this document.

The proposed project is consistent with the initiatives of the Government of Argentina for the implementation of the “*Ley de Presupuestos Mínimos para la Protección Ambiental de los Bosques Nativos*”. The Law was passed by Congress in October of 2007 and ratified by the Senate in the same year. The law establishes a moratorium on deforestation for one year and prohibits the felling of high-conservation value forests. It also sets forth the minimum standards for provincial forestry policies and creates the basis for incentives to protect native forests including the payment for environmental services. In addition, the law established a fund (Fondo Nacional para el Enriquecimiento y la Conservación de los Bosques Nativos) to pay for environmental services. Under Component 2, a Strategic Management Plan (SMP) will be developed for the Chaco Conservation Corridor. The SMP will develop a financing plan that will include specific tie-ins to the above Forestry Legislation to help provide financial means to bridge the corridors in productive areas through a forest conservation tax placed on agricultural production in the country.

#### **4. Project Description**

The GEF project’s specific objectives are complementary and correspond to the project’s components:

Component 1. Core Protected Areas (US\$ 3.19 million, GEF). The component will support the establishment, strengthening and operational startup of six protected areas within the priority corridors, including infrastructure, training, equipment, studies, management plans and operating costs. Workshops, meetings, information generation and dissemination will be conducted to engage stakeholders and promote conservation. Sustainable use subprojects and pre-investment studies with local communities and producers will be carried out to support conservation objectives of the protected areas and corridors.

Component 2. Conservation Corridors (CC) in the Grand Chaco and the Patagonian Steppe and Coastal Marine Ecosystems (US \$1.55 million, GEF). The component will develop and implement a multi-stakeholder process for corridors conservation in two high-priority ecosystems through the development of plans, studies, training, stakeholder coordination, information management, development of incentive mechanisms and a cooperative framework for corridor’s conservation. APN field units will be established in the conservation corridors. Technical assistance and equipment will be provided to support key partners’ conservation efforts, along with demonstration subprojects.

Component 3. Collaboration for Corridors’ Conservation (US \$0.99 million, GEF). The component will strengthen the Federal System of Protected Areas (SIFAP) to coordinate multi-stakeholder participation for biodiversity conservation, particularly with provinces. A new draft policy and blueprint for the SIFAP would be elaborated, financing mechanisms agreed, personnel trained and assigned, and work programs developed. Studies, proposals, tools and guidelines for provincial- and private-protected areas and climate change mitigation/adaptation are included, along with national and ecoregional gap analyses to support conservation priority setting. Workshops, information dissemination and training events will be carried out to strengthen SIFAP.

Component 4. Management, monitoring and evaluation of the project (US\$ 0.55 million, GEF). The component provides the technical and fiduciary support elements to ensure efficient execution of the project through administration, monitoring and evaluation, planning and

coordination. The executing unit of the Project will be financed by APN, with support from the associated IBRD project and the GEF project for grant administration, coordination and monitoring and evaluation.

## 5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	4.93
Global Environment Facility (GEF)	6.29
IBRD	13.72
Total	24.94

## 6. Implementation

The executing agency will be *Administración de Parques Nacionales* (APN) acting through the *Unidad Coordinadora de Ejecución de Proyectos con Financiamiento Externo* (UCEFE). The coordinating unit has significant experience in fiduciary aspects for similar Bank-financed operations. At present, UCEFE is coordinating other programs financed by the Bank, and already counts with a specialized unit. The coordinating unit will be responsible for undertaking the 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.

## 7. Replicability

The parks system of Argentina is a model for protected areas management in a developing country. Although the system is relatively small (1.3% of the national territory), the quality of conservation is high. Argentina has historically trained park guards from neighboring countries and hosts fora on regional and international conservation issues. In 2007, APN co-sponsored the Second Latin American Congress on protected areas in conjunction with the IUCN and *Redparques*, which served to focus attention on the Argentine system and knowledge sharing with other countries. The models to be established through the project interventions, especially regarding corridors, will be replicable in Argentina, the Mercosur and other countries that face a complicated management regime for biodiversity conservation due to the prevalence of productive activities in the overall landscape.

## 8. Lessons Learned from Past Operations in the Country/Sector

Lessons would be applied from the recently closed and highly successful AR Biodiversity Conservation Project carried out by APN.

Lesson One: Development is not a linear process, and processes need to be sufficiently flexible to adapt to changes on the ground. Although the earlier Biodiversity Conservation Project experienced some setbacks, including delays and difficulties during implementation, it managed to produce highly relevant impacts for the protected area sector by closing. The Bank, as an institution, should ensure that its instruments, philosophy and approaches to development are flexible enough to adapt to the changing country conditions, while maintaining focus on the project development objectives.

Lesson Two: The creation of a protected area is a complex process that involves diverse actors and requires substantial coordination. Sufficient time should be allocated according to the complexity of participatory processes, taking into account the number of actors and decision makers involved. This is especially important in situations where a diverse spectrum of stakeholders are concerned (private land holders, intermediary agents, stakeholders, federal and provincial governments).

Lesson Three: Monitoring and evaluation of biodiversity should be carried out at ecosystem levels. Biodiversity can be assessed at the ecosystem, species or genetic levels. Because of the operational nature of GEF- and IBRD-financed projects, the use of highly detailed scientific studies is not always feasible. The use of ecosystem evaluations, through, for example, remote sensing surveys, can help to determine the extent to which habitats for key species are being protected. This can be a more practical approach than, for example, monitoring indicator species themselves, which entails costly and difficult field surveys.

## 9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
<a href="#">Environmental Assessment</a> (OP/BP/GP 4.01)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cultural Property (OP 4.11)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples (OP 4.10)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forests (OP/BP 4.36)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The project is classified as Category “B”. In accordance with OP 4.01, an Environmental Assessment has been carried out and an environmental management plan is being developed for the project and will be included in the operational manuals. Important findings and useful recommendations from the EA are to be integrated into project design

## 10. List of Factual Technical Documents

1. Administración de Parques Nacionales. 2010. Plan Estratégico de Gestión de los Corredores de Conservación Piloto del Gran Chaco. (Versión de 17 de Mayo de 2010).
2. World Wildlife Fund Terrestrial Ecoregions  
[http://www.worldwildlife.org/wildworld/profiles/terrestrial\\_nt.html](http://www.worldwildlife.org/wildworld/profiles/terrestrial_nt.html)
3. National Parks Administration of Argentina: <http://www.parquesnacionales.gov.ar>

\* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

4. Subsecretaría de Turismo y Areas Protegidas. Anuario Estadístico 2009/10.
5. Plan Estrategico Preliminar Instrumentación de los Corredores de Conservación del Gran Chaco: Documento para la Elaboración del Plan Estratégico Definitivo. Administración de Parques Nacionales. Mayo 2008.
6. Gomez, Marcelo Dellamea. Informe de Consultoría: Dagnostico socio-económico de las areas de intervención del Proyecto GEF. Proyecto “Manejo Sustentable de Recursos Naturales”. Convenio de prestamo Argentina 7520-0-AR. Volumen I.
7. Gomez, Marcelo Dellamea. Informe de Consultoria: Dagnostico socio-economico de las areas de intervención del Proyecto GEF. Proyecto “Manejo Sustentable de Recursos Naturales”. Convenio de prestamo Argentina 7520-0-AR. Volumen II.
8. Borrador Plan de Manejo “Parque Natural Provincial Fuerte Esperanza”. Secretaria Ambiente y Desarrollo Sustentable, Dirreción Nacional de Fauna Silvestre. Fundación de Historia Natural. Provincia del Chaco, Ministerio de la Producción Secretaria de Producción Primaria Subsecretaría de Recursos Naturales y Medio Ambiente.
9. Losano, Piedad; Tagliorette, Alicia. Situación actual del turismo en las localidades de la costa patagonica. Abril 2009.
10. Tagliorette, Alicia; Mansur, Lidia. Manual de Areas Protegidas. 1a ed. Puerto Madryn: Fund. Patagonia Natural, 2008.
11. Dirección de información parlamentaria. Departamento de procesamiento y computación de datos legislativos. L. 3258 Normas P/Comunicades Aborigenes Crea I.D.A.CH. La Camara de Diputados de la Provincia del Chaco Sanciona con fuerza de ley N/3258 de las comunidades indígenas.
12. D.0672/04 – Crease la reserve de recurso impenetrable chaqueño de 1,000,000 has. Decreto N.672 Resistencia, 21 de Abril de 2004. Dirección de información Parlamentaria. Departamento de recopilación y ordenamiento legislativo y normas complementarias.
13. Decreto No 480, Resistencia, 02 de Mayo de 1991.

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