



1. Project Data

Project ID

P114294

Project Name

AR GEF Rural Corridors and Biodiversity

Country

Argentina

Practice Area(Lead)

Environment, Natural Resources & the Blue Economy

L/C/TF Number(s)

TF-A0233

Closing Date (Original)

30-Nov-2020

Total Project Cost (USD)

6,234,039.47

Bank Approval Date

07-Apr-2015

Closing Date (Actual)

31-Dec-2021

IBRD/IDA (USD)
Grants (USD)

Original Commitment

6,289,030.00

6,289,030.00

Revised Commitment

6,289,030.00

6,234,039.47

Actual

6,234,039.47

6,234,039.47

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2. Project Objectives and Components

a. Objectives

According to the Project Appraisal Document (PAD) (p. 5) and the Financing Agreement of May 25, 2015 (p. 7) the objective of the project was “to increase the protection of vulnerable natural areas and conserve biological diversity within the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystems, implement measures to enhance biodiversity resilience to climate change and protect forest carbon assets”.



According to the Bank team (February 23, 2023), the ten selected protected areas were selected within Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystems based on being part of biodiversity conservation corridors identified in previous projects implemented by the client in the Gran Chaco ecoregion. Protected areas in coastal and steppe ecosystems in Patagonia were selected by the client based on being part of the prioritized ecosystems and their investment needs.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

14-Sep-2018

c. Will a split evaluation be undertaken?

No

d. Components

The project included four components:

Component 1: Core Protected Areas (appraisal estimate US\$3.19 million, actual US\$3.32 million).

This component was to finance establishing, strengthening and operationalizing the startup of Selected Protected Areas (SPA) within the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystem, through: i) providing necessary infrastructure for basic management such as administrative buildings, park guard facilities, storage and maintenance infrastructure, information centers, research facilities, etc.; ii) carrying out of selected technical studies on, topics such as social, environmental, climate change and management themes, including the provision of support to drafting the legal instruments required for the establishment of the park and reserve etc.; iii) providing training and capacity building for personnel ascribed to SPA and personnel potentially ascribed to the park and reserve.

During the restructuring in 2018 all references of the Chaco Seco National Park and the Impenetrable Chaqueño Provincial Multiple Use Reserve were erased. A total of ten protected areas from the national and provincial systems were selected for the implementation of prioritized activities under this component. The selected areas included: i) Impenetrable National Park; ii) Copo National Park; iii) Copo Provincial Park; iv) Copo Multiple Use Reserve; v) Fuerte Esperanza Provincial Park; vi) Loro Habla Provincial Park; vii) Pampa del Indio Provincial Park; viii) Patagonian Steppe and Marine/Coastal Region: a) Patagonia National Park; b) Makenke Interjurisdictional Marine Park; and b) Patagonia Austral Interjurisdictional Coastal Marine Park. During the restructuring several activities were removed such as training, capacity building and public consultations which had already been planned under different components.

Component 2: Conservation Corridors in the Gran Chaco and the Patagonian Steppe and Coastal-Marine Ecosystems (appraisal estimate US\$1.55 million, actual US\$1.87 million): This component was to finance designing and implementing a multi-stakeholder process for piloting conservation corridors in the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystems, through i) mapping of the pilot conservation corridors and Patagonia Steppe conservation corridors; ii) designing, validation



and dissemination of participatory, operational and strategic plans, programs and management tools for said pilot conservation corridors and Patagonia Steppe conservation corridors; iii) designing of cooperation frameworks for pilot conservation corridors' and Patagonia Steppe conservation corridors' management, and the establishment of coordination mechanisms and/or management committees for said corridors; iv) carrying out of studies and workshops including on social, environmental, biodiversity and climate-change issues in pilot conservation corridors and Patagonia Steppe conservation corridors, and designing of draft management plans for legally established provincial protected areas within pilot conservation corridors; v) establishing National Parks Administration (APN) field units in the pilot conservation corridors and Patagonia Steppe conservation corridors (including the acquisition and utilization of necessary equipment); and vi) providing support to Argentina in the designing of financial incentives to promote biodiversity conservation in said pilot conservation corridors and Patagonia Steppe conservation corridors (PAD para. 23).

Component 3: Collaboration for Corridors' Conservation (appraisal estimate US\$0.99 million, actual US\$0.44 million): This component was to finance strengthening the Federal System of Protected Areas (SIFAP) through the promotion of a shared vision among its members, comprehensive stakeholder involvement, institutional support and long-term financial planning. Also, this component was to finance developing management standards and strengthening provincial and national parks institutional capacity. Activities were to include: i) carrying out of needs assessment studies aimed at acquiring an accurate and comprehensive overview of the strengths and weaknesses of national and provincial protected areas systems; ii) carrying out regional and inter-provincial workshops for best practice- sharing, as well as providing training for conservation management and climate change mitigation/adaptation; iii) developing guidelines for provincial protected areas management; and iv) carrying out of training visits by personnel of provincial and national protected areas (at national and international level) for capacity building on conservation and climate-change themes.

Also, this component was to finance developing financing mechanisms and improvement of SIFAP's organizational structure (PAD para. 27).

Component 4: Management, Monitoring and Evaluation (appraisal estimate US\$0.55 million, actual US\$0.63 million): This component was to finance several activities: i) providing technical and operational assistance for project management; developing and implementing a monitoring and evaluation program for the project (including a monitoring and evaluation program for climate-change themes) and carrying out project audits, mid-term review and a final evaluation of the project.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The project was estimated to cost US\$10.29 million. Actual cost was US\$13.34 million.

Financing: The project was financed by Trust Fund (TFA0233) in the amount of US\$6.29 million of which US\$6.23 million was disbursed.

Borrower Contribution: The Borrower was to contribute US\$3.98 million. Actual contribution was US\$7.12 million.

Dates: The project was restructured four times:



On August 28, 2015, the project was restructured to make editorial corrections of the Trust Fund Code in the Grant Agreement.

On September 14, 2018, the project was restructured to: i) modify the wording, scope and expected intermediate and final target values (*target for PDO 1 was increased while target for PDO 2 was decreased; targets of two intermediate outcome indicators were increased while targets for two intermediate outcome indicators were decreased*) in the Results Framework, and to more clearly reflect the restructured project components and logical results chains from outputs to intermediate outcomes; ii) remove some activities from Components 1, 2 and 3; iii) narrow the scope of some activities; iv) refine some activities; v) modify component costs; vi) redefine disbursement categories and reallocate funds between disbursement categories; and vi) accordingly amend legal covenants. These changes did not result in any net reductions in the project's level of ambition.

On November 5, 2020, the project was restructured to mainly: i) extend the closing date by nine months from November 30, 2020 to August 31, 2021, to compensate for implementation delays caused by various issues predominantly key staff changes at the provincial and national level, and social isolation measures due to the COVID-19 pandemic; ii) change disbursement estimates and the implementation schedule; and iii) introduce two additional outcome indicators with targets namely "*Land area under sustainable landscape practices*" and "*Area benefiting from biodiversity resilience measures*". There was no reduction in the project's level of ambition.

On August 24, 2021, the project was restructured to: i) further extend the closing date by four months from August 31, 2021 to December 31, 2021, to allow the completion of pending activities, which had been delayed due to COVID-19 pandemic; and ii) reallocate grant proceeds between disbursement categories.

Despite two restructurings which had an impact on the project's key indicators and targets, this review concluded that none of these changes associated resulting from the project's restructuring led to a net reduction in the project's level of ambition. Indeed, in terms of expectations about outcomes, while one PDO indicator was reduced by 26% and another relegated to an intermediate outcome indicator, two PDO indicators with targets were added (ICR para 37). Hence there was no justification for a split rating of outcomes

3. Relevance of Objectives

Rationale

Argentina, with over 280 million hectares (ha) of land, was once rich in biodiversity and contained vast native landscapes with over eighteen diverse eco-regions. However, poverty and limited development options drove deforestation and natural resource degradation. 20 percent of the country became considered degraded (2009). The country suffered from high rates of deforestation and disturbances from cropping and ranching in grasslands.

Some of the poorest and most isolated people in Argentina (often indigenous and campesino) were heavily dependent on the extraction of natural resources for their livelihoods. The four provinces, Chaco, Salta, Santiago del Estero and Formosa, made up 88 percent of the Chaco Ecoregion and had some of the highest levels of unmet basic needs and poverty nationwide. Being dependent on forest products for their



livelihoods, these populations consumed more than 50 percent of the total fuel wood in the country (PAD para. 5).

Despite the importance of these national ecosystems for biodiversity, less than two percent of the area they covered were under formal protection at the time of appraisal. Also, there was a lack of inter-agency conservation efforts outside protected areas. In order to address this issue, in 2014, the Argentine National Parks Administration (APN) adopted a “corridor approach” to conservation (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 Convention on Biological Diversity (CBD) (2004). It would therefore lend more continuity and connectivity throughout the country’s ecosystems, as well as increase coherence in the protection of biodiversity through the national parks’ system. The ICR (para 39) noted that “the principal value of the project was to develop a regional rural corridors strategy that was flexible and responsive to local needs”.

The objectives of this project supported the government’s Forest Law 26.331 (*Ley de Presupuestos Mínimos de Protección Ambiental de los Bosques Nativos, 2007*), which provided a framework to control deforestation, promote land use zoning, implement sustainable forest management and strengthen collaboration between the national and provincial forest administrations. This Law also established a crucial Forest Fund, to provide significant public financial resources to provinces to promote sustainable use of forests and provide payment for environmental services.

The project’s objectives were in line with the Bank’s most recent Country Partnership Strategy (CPS) (FY19-22) and its strategic theme of “reducing environmental risks and safeguarding natural resources” as well as the CPS’s results area “improving natural forest cover in Chaco eco-region”. The objectives of this project were also in line with the 2018 Systematic Country Diagnostic (“Argentina: Escaping Crises, Sustaining Growth, Sharing Prosperity”) and its pathway 4 “investing in natural capital and ensuring environmental sustainability”. Finally, the objectives of the project were aligned with the GEF Biodiversity Focal Areas, especially, Biodiversity (BD) Strategic Programs (SP1) “sustainable financing of protected area systems at the national level; BD SP2 “increasing representation of effectively managed marine protected areas in protected areas systems; BD SP3 “strengthening terrestrial protected area networks; and Climate Change SP 6 “management of land use, land use change and forestry as a means to protect carbon stocks and reduce greenhouse gas emissions”.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective



Increase the protection of vulnerable natural areas and conserve biological diversity within the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystems

Rationale

Theory of Change: The project's theory of change envisioned that project outputs such as infrastructure being constructed, vehicles and equipment being purchased for selected project areas (SPAs), and participatory management plans and technical studies (including boundary demarcations) being developed for SPAs would result in the outcome of increased protection of vulnerable natural areas and conserve biological diversity within the Gran Chaco Ecosystem and the Patagonian Steppe and Coastal-Marine Ecosystems. Also, project outputs such as the conservation corridors (Chaco Humedo and Chaco Seco) strategic action plan being endorsed by authorities as well as additional conservation corridors being designed (Patagonia region) were to result in the intended outcome as stated above.

Outputs:

- A framework for the implementation of conservation corridors was endorsed by the Chaco and/or Santiago del Estero provinces, achieving the target of doing so.
- 18 sustainable development sub-projects were completed, exceeding the target of three sub-projects.
- 236 SPA staff in the project area were trained on protected areas management planning and effective evaluation, exceeding the target of 200 staff. Trainings included: regional strategic planning workshop, preparation of management plans and management evaluation, conceptual basis and experience to assess effectiveness in the management of protected areas in Argentina.
- 631,204 hectares were brought under enhanced biodiversity conservation through the provision of infrastructure and equipment for SPAs and the formulation of their management plans. This did not achieve the original target of 882,000 hectares nor the revised target of 655,624 hectares. According to the Bank team (February 23, 2023) there was no pre-defined list of equipment and infrastructure at project appraisal.

Outcomes:

- The size of marine environments under improved forms of protection increased from zero hectares in 2015 to 106,422 hectares in 2021, achieving the target of 106,422 hectares. The original target was 279,000 hectares, which was reduced when the steppe eco-systems were removed from the measure of the indicator to only reflect the area covered and supported with interventions within the Patagonia National Park.
- The project successfully provided technical assistance, equipment and infrastructure to communities. One sub-project, for example, was able to produce 18kg of honey, which was sold in the market and resulted in an additional income of the equivalent of US\$1,000; another sub-project was able to generate an income of US\$9,800 from the production of honey. The purchase of equipment to better process honey under another sub-project generated an income of US\$42,500. As the result of another sub-project, which improved herd rotation and pasture management, the prices of cattle in local auctions increased from US\$0.78/kg to US\$1/kg live weight. The ICR did not specify if, for example, additional incomes only occurred once or several times.

Based on outputs that were likely to result in substantial outcomes and the evidence on outcomes, the efficacy with which Objective 1 was, or is likely to be, achieved is rate substantial.



Rating
Substantial

OBJECTIVE 2

Objective

To implement measures to enhance biodiversity resilience to climate change

Rationale

Theory of Change: The project's theory of change envisaged that outputs such as developing management plans for SPAs, implementing sustainable sub-projects, and having people participating in consultation activities throughout the project's implementation would result in the outcome of enhancing biodiversity resilience to climate change.

Outputs:

- Nine Management Plans for SPAs were updated and/or formulated which included climate change mitigation and adaptation measures, achieving the revised target of nine plans.
- The "SIFAP 2020-2022 Action Plan" was prepared, reviewed and agreed with the members of the Federal System of Protected Areas (SIFAP) and submitted to the Biodiversity Commission of the Federal Council of Environment (COFEMA) in October 2020. The Action Plan provided a roadmap for effective interinstitutional coordination and biodiversity conservation integrating the national and provincial protected areas systems. The target of a common action plan for corridors conservation between federal and provincial authorities being adopted was achieved.
- The Chaco Seco Corridor Action Plan and the Chaco Humedo Corridor Action Plan were endorsed by the provincial authorities. The Patagonia Arida Corridor Plan was prepared. The target of three rural corridor strategic plans to be prepared/updated was achieved.
- A proposal to expand conservation corridors to at least one new province of the Chaco region was developed, achieving the target of doing so.
- 18 sustainable use sub-projects and four sustainable development sub-projects were implemented.
- 24 provinces adhered to a unified and functional information system related to conservation corridors, exceeding the target of 18 provinces.
- Three analytical and knowledge products that contributed to strategic planning and the promotion of conservation corridors within the framework of SIFAP were completed, achieving the target of three products.
- 1,346 people in forest and adjacent community benefitted from monetary/non-monetary benefits from forests, exceeding the target of 1,200 people. Of those people 639 people were female, exceeding the target of 600 females, and 650 people came from an Ethnic minority or being indigenous, exceeding the target of 600 people from an Ethnic minority or being indigenous.
- 760 people participated in consultation activities during project implementation, exceeding the target of 300 people. Consultations took place for the following topics: participatory indigenous plan for the impenetrable national park; evaluation and supervision committees for the sustainable use and demonstrative subprojects; elaboration/update of the management plans for SPA; monitoring and



evaluation committees for SPA; meliponiculture (honey production based on stingless bees) sectoral round table; livestock roundtable; ecotourism roundtable; awareness workshop in Santiago del Estero.

Outcomes:

- 14,765 hectares of area benefitted from biodiversity resilience measures, exceeding the target of 5,513 hectares. The indicator used as a proxy, measured the area estimated to have been positively impacted by the upgrading of a 4,800 square meter waterhole in the Copo national Park in the Santiago del Estero Province to increase the availability of surface water to sustain biodiversity during droughts.
- 241,281 hectares of land area were under sustainable landscape management practices, exceeding the target of 226,376 hectares.
- Based on a survey of 1,541 beneficiaries 75 percent of respondents felt that the project investments reflected their needs, exceeding the target of 70 percent. The ICR did not state how the beneficiaries, participating in the survey, were selected.

Based on this evidence the efficacy with which Objective 2 was achieved was substantial.

Rating

Substantial

OBJECTIVE 3

Objective

To implement measures to protect forest carbon assets

Rationale

Theory of Change: The project's theory of change envisioned that project activities such as implementing sustainable use forest management sub-projects and putting forests under improved forms of protection would result in protecting forest carbon assets.

Outputs:

- Four demonstration sustainable use sub-projects were completed exceeding the target of three demonstration sub-projects being completed. These sub-projects were the following: i) promotion of meliponiculture; ii) natural grasslands grazing; iii) demonstration of forest-neutral management schemes for small-scale sustainable livestock producers; and iv) demonstrative tourism (sustainable use of wild fauna and flora).
- The size of forests under improved forms of protection increased from zero ha in 2015 to 128,000 ha in 2021, not achieving the original target of 303,000 hectares and achieving the revised target of 128,000 hectares. This indicator was changed at restructuring to reflect the area under protection within the Impenetrable National Park.

Outcomes:



- According to the ICR 14.6 million tons carbon equivalent were protected in Chaco forests, exceeding the target of 10.4 million tons carbon equivalent.

The project benefitted 1,860 people of which 35 percent were female. The target of 600 beneficiaries was therefore exceeded. According to the Bank team (February 23, 2023) there was no target for female beneficiaries.

Based on the evidence in the ICR the efficacy with which Objective 3 was achieved was substantial.

Rating

Substantial

OVERALL EFFICACY

Rationale

The achievement of all three objectives was Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic efficiency:

The PAD (p. 48) did not conduct a traditional economic analysis. The PAD only compared project costs of US\$30 per hectare for the total terrestrial area being placed under sound formal conservation regimes with previous GEF projects where the average cost was around US\$43 per hectare for the establishment and startup of protected areas.

The ICR (p. 59) considered the measurable incremental benefits that were directly related to the main activities of the project, given the information available, such as the estimated carbon sequestration benefits associated with project activities, other ecosystem services provided by the protected areas and the benefits of skill training programs on direct beneficiaries and sub-projects.

The ICR calculated a lower bound scenario representing the benefit streams derived from Component 1 and 2, applying a very conservative approach, assuming a 20-year time frame and a discount rate of 9 percent with the following results.



Discount Rate NPV	BC Ratio
9% \$22,352,161	2.93

The ICR also conducted a sensitivity analysis of an upper bound scenario that assumed a 20 percent contribution of the project and 25 USD/ton as well as a 15-year implementation period with the following results

Discount Rate NPV	BC Ratio
9% \$143,027,669	13.36

The ICR (p. 65) expected that Components 3 and 4 will have additional benefits, which were too difficult to measure due to the qualitative approach to capacity strengthening and project management.

This analysis suggests that the project was a worthwhile investment based on the assumptions in the analysis.

Operational efficiency:

The project's implementation period was extended twice by a total of 13 months to allow for the completion of project activities which had been delayed due to issues including key staff changes at the provincial and national level, lengthy bureaucratic processes with APN to approve procurement processes and social isolation measures due to the COVID-19 pandemic. As a result of these delays, some infrastructure works in the Copo Provincial Park could not be completed before project closure.

Taking account of the strength of evidence in the ICR, the efficiency with which the project has been implemented is rated Modest.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome



Relevance of objectives was High given its close alignment with the Bank's most recent Country Partnership Strategy (CPS) (FY19-22) and its strategic theme of "reducing environmental risks and safeguarding natural resources" as well as the CPS's results area "improving natural forest cover in Chaco eco-region". Efficacy was Substantial because of the evidence (documented in detail in Annex 1 of the ICR) that the project's objectives were achieved, but Efficiency was rated Modest because of the weak evidence on how efficiently the project was implemented. Given the moderate shortcomings in the project's efficiency, the project's overall outcome is rated Moderately Satisfactory

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

Government commitment: According to the ICR (p. 29) the National Parks Association (APN) and provincial protected areas managers remain committed to implement the Pas management plans.

Financing: Full implementation of the Pas management plans depends on the availability of funding, which will depend partly on the new Bank operation (Sustainable recovery of landscapes and livelihoods in Argentina project (P175669) with financing of US\$60.0 million) and APN budget support. The new Bank project aims to improve the management and resilience of ecosystems and related livelihoods of local communities in selected conservation and production landscapes and seascapes. Part of this new project will be implemented in the Chaco and the Yungas ecoregions, providing continuity, and building on outcomes achieved under this project.

Technical capacity: The ICR (p. 29) stated that there is a risk that sub-projects and stakeholder engagement will not be scaled up across the biodiversity corridors due to the lack of resources. Also, communities with weak capacity might need continuous support from local authorities to ensure that sustainable practices continue to be implemented. However, the ICR also stated that the APN developed a program for the support on the development of sustainable activities in rural populations which will finance community driven development sub-projects across the country. Also, provincial and national governments are trying to advance payment for ecosystem services programs to provide other additional financial incentives for conservation and sustainable production.

8. Assessment of Bank Performance

a. Quality-at-Entry

According to the Bank team (February 23, 2023) the project was built on lessons learned from previous Bank engagement in this area. These lessons included: i) inter- institutional synergies are important for sustainable natural resource management; ii) long-term commitment is needed for sustainable natural



resource management and landscape approaches; and iii) protected areas in infrastructure construction can be a significant hurdle.

According to the PAD (p. 10) the Bank team identified relevant risks and rated the following as substantial: i) Institutional Capacity for Implementation and Sustainability: due to the need for developing institutional capacity to work effectively with a broad range of institutional partners as APN was to work outside of their primary jurisdiction and engage multiple public, for profit and non-profit partners with weak participation platforms; ii) Environment and Social: Given the cross-sectoral and landscape level actions required to deliver effective management of rural corridors outside of their primary jurisdiction, APN needed to apply World Bank Safeguard policies at a more strategic level than in previous Bank-financed projects; and iii) Stakeholder involvement and technically sound grant activities oriented to improving the implementation of the current legal and policy framework for conservation were to be critical during implementation. Mitigation measures were not sufficient and resulted in several implementation delays. Also, the Bank team did not identify the challenge of keeping competent staff due to low salaries resulting in a high turnover of staff which resulted significant delays throughout implementation.

According to the ICR (p. 28) there was a significant delay of four and a half years between project preparation and the first negotiation of the legal agreement in August 2011 and renewed negotiations in February 2015 as a result of changes in key stakeholder, sectoral context and the macroeconomic situation of Argentina, which put all Bank projects on hold. As a result, there were several discrepancies between the project design and the implementation context. As noted in the ICR (para 77) one of the discrepancies was the need to support some of the originally selected protected areas (PAs).

The project's Results Framework had several shortcomings such as the original Framework which lacked clarity and a precise definition as well as a methodology on measurement (see section 9a for more details).

Quality-at-Entry Rating Moderately Satisfactory

b. Quality of supervision

According to the ICR (p. 28) the Bank team conducted 15 supervision missions and provided timely implementation supervision and results reports. Also, aide memoires identified key issues. Financial Management and procurement staff assisted counterpart staff with training in procurement processes and supported the PIU to monitor budget allocation and planning as well as disbursement progress.

The Bank team restructured the project three times to modify the Results Framework and allow for more time to implement project activities.

Quality of Supervision Rating Satisfactory



Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The selected PDO indicators encompassed all outcomes of the PDO statement. However, the project's objective was overly complex and included three different outcomes. Also, several of the indicators included in the original Results Framework lacked clarity and a precise definition as well as a methodology on measurement. Furthermore, the project's theory of change and how key activities were to result in the intended outcomes was not sufficiently sound. According to the PAD (p. 9) the project's M&E function was to be performed by the PMU at the Project Execution Coordination Unit (UCEFE). The PMU was to conduct base line studies and evaluation of key data relative to project objectives and performance. Also, M&E activities were to include short-term consultancies with thematic specialists collecting and analyzing information not routinely generated by the project in order to objectively and impartially assess impacts.

b. M&E Implementation

The Results Framework was modified during the 2018 and 2020 restructurings to modify the wording, scope and expected intermediate and final target values. Also, in 2020, the PMU hired a M&E specialist to strengthen the project's M&E which resulted in an improvement of the M&E performance.

According to the Bank team (February 23, 2023), baseline studies were conducted as part of the strategic corridors planning (in 2 biodiversity conservation corridors in the Gran Chaco region). Additionally, a conservation gaps analysis was conducted, as the baseline for the future design of biodiversity conservation corridors in the Patagonian steppe. The Bank team also stated that generally the quality of data collected was adequate and that significant efforts have been made, not only to sustain, but to improve M&E functions, for the benefit of a new Bank project that has been recently prepared. APN's internal structures for M&E are also being strengthened.

c. M&E Utilization

According to the ICR (p. 25) the PIU mostly used results from PDO indicators 1 and 5 to report on the implementation status of the project. However, progress data was not frequently used by the PMU in the annual progress reports or for adapting project implementation.

M&E Quality Rating

Modest

10. Other Issues



a. Safeguards

The project was classified as category B and triggered the Bank's safeguard policies OP/BP 4.01 (Environmental Assessment), OP/BP 4.04 (Natural Habitats), OP/BP 4.36 (Forests), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.10 (Indigenous People) and OP/BP 4.12 (Involuntary Resettlement).

According to the ICR (p. 26) the project conducted a Social Impact Assessment (SA) and an Environmental Assessment (EA). Furthermore, the project also prepared an Environmental and Social Management Framework (ESMF), an Indigenous People Framework (IPF), and a Resettlement Policy Framework.

The ICR (p. 27) stated that the project design had planned for indigenous people being involved and consulted throughout project implementation to ensure their involvement and consent in the formulation of the SPA's Management Plans and the definition and design of rural corridors to avoid potential overlap with traditional territories. However, the involvement ended up not being as intensive as originally planned. An Indigenous Peoples Plan (IPP) and Management Plan was prepared, after several delays, for the Chaco Corridors and the Impenetrable National Park. The Management Plan for the Impenetrable National Park included mitigation measures to avoid potential access restrictions to natural resources for 38 indigenous and 12 criollo families living in the park's buffer zone. Also, the Management Plan for the Copo Provincial Park and the Copo Multiple Use Reserve included an IPP and a document on guidelines for the regularization of the situation of the inhabitants within both Pas. However, the Management Plan and IPP for the Provincial Park Fuerte Esperanza were only partially completed when the project closed due to land use and ownership conflicts as well as a legal claim by the indigenous organization MOWITOB which was appealed by the province of Chaco.

b. Fiduciary Compliance

Financial Management:

According to the ICR (p. 27) the project's planning, budgeting, accounting, internal control, flow of funds, financial reporting and audit arrangements were adequate. All the project's financial statement audit reports were received in a timely manner or with a delay of less than four months. Also, the external auditor's opinions were unqualified and only identified minor issues related to internal control procedures, which were all addressed and implemented to the Bank's satisfaction. Also, all Interim Financial Reports (IRF) were of adequate quality and received with delays of less than three months as a result of a high turnover of financial management specialists throughout the entire implementation period.

Procurement:

According to the ICR (p. 27) the project's procurement performance was Satisfactory throughout implementation despite a high PIU staff turnover and delays in hiring a procurement specialist.

According to the ICR (p. 28) the project established a grievance response mechanism for potentially affected and interested people to contact the PMU. Mailboxes were set up in key project sites and the PIU received five questions that were addressed.



c. Unintended impacts (Positive or Negative)

NA

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

The ICR (p. 30-31) included three lessons/findings. Two of them were adapted and listed below to indicate lessons IEG drew from the project:

- **Designing projects with broad geographic scope and generic development objectives using flexible investment and institutional strategies adapted to local circumstances can result in diffusion of effort, dilution of impact, and difficulties measuring outcomes.** This project's objective was broad and covered a wide geographic scope. The project's Results Framework lacked accurate definitions and explicit measurement methodologies, making monitoring of progress and credibly verifying the achievement of objectives very challenging.
- **Effective and successful participatory project implementation processes are more likely to achieve positive sustainable project outcomes if they are planned during project design.** In this project, visible participation of representatives of provincial governments and civil society at the project design phase was important and successful for strengthening bonds and credibility among local entities which enhanced the project's implementation and impact.

13. Assessment Recommended?

No



14. Comments on Quality of ICR

The ICR provided an adequate and internally consistent overview of project preparation and implementation with a structure in line with the guidelines for preparing an ICR. The main text was adequately results-oriented. However, it was 30 pages; not as concise as 15 pages recommended in the guidelines but nevertheless a coherent story. The analysis of the project's efficiency included an economic analysis based on estimated incremental benefits and costs (some benefits drawn from information outside the project) to estimate benefit/cost ratios for different discount rates and assumed project life. Results were presented for upper and lower bounds with the lower bound being arguably the best estimate since it was based on the more conservative assumptions of benefits including a low price for carbon. The economic analysis did not, however, include a number of project benefits such as incremental revenues from tourism. The three lessons were relevant and mostly based on evidence from the project. Finally, the ICR did not state mitigation measures for the triggered Bank safeguard policies nor the extent of compliance with those safeguards. Despite some shortcomings the quality of the ICR is rated Substantial.

a. Quality of ICR Rating Substantial