



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 03-Apr-2018 | Report No: PIDISDSA23304

**BASIC INFORMATION****A. Basic Project Data**

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|--|---|---|-------------------------------------|
| Country Argentina | Project ID P162316 | Project Name Integrated Management of Agricultural Risk | Parent Project ID (if any) |
| Region LATIN AMERICA AND CARIBBEAN | Estimated Appraisal Date 01-Mar-2018 | Estimated Board Date 30-Apr-2018 | Practice Area (Lead) Agriculture |
| Financing Instrument Investment Project Financing | Borrower(s) Argentine Republic, Ministry of Finance | Implementing Agency Ministry of Agroindustry | |

Proposed Development Objective(s)

The objective of the project is to improve the management of agricultural risks by beneficiaries and selected sectoral institutions.

Components

- Component 1 - Strengthening agro-climatic information systems
- Component 2 - Agricultural risk mitigation investments
- Component 3 - Agricultural Emergency Response Financing
- Component 4 - Project coordination, monitoring and evaluation

Financing (in USD Million)

| Financing Source | Amount |
|---|---------------|
| Borrower | 37.50 |
| International Bank for Reconstruction and Development | 150.00 |
| LOCAL: BENEFICIARIES | 0.00 |
| Total Project Cost | 187.50 |

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue



Other Decision (as needed)

B. Introduction and Context

1. **The Government has introduced several economic reforms since taking office in December 2015.** It unified the exchange rate, ended the dispute with holdouts creditors, abandoned the system of discretionary import licenses, resumed the publication of credible official statistics, significantly lowered export taxes, cut the personal income tax by increasing the minimum threshold and reduced energy and transport subsidies. It expanded several social benefits (e.g. child allowances), increased unemployment insurance significantly, and introduced a plan to settle social security lawsuits and to adjust pensions upwards. The recent mid-term election primaries results were seen as a display of support for the administration. These results are expected to empower the Government to move forward with its reform agenda, which includes a tax and labor reform.

2. **Economic activity is expected to continue its recovery in 2018.** Economic activity contracted 2.2 percent during 2016, taking a toll on labor markets, where up to 0.6 percent of formal private sector jobs were lost^[1]. However, GDP has expanded for four consecutive quarters (2.7 percent) since the second quarter of 2016, and employment in the formal private sector recovered to its December 2015 level. The economy is expected to grow by 2.8 percent^[2] in 2017 and continue to grow in 2018^[3], on the assumption that the positive impact of policy changes kicks in and the global economy recovers. Inflation in the city of Buenos Aires was 40 percent in 2016, mostly due to currency depreciation and lower energy and transport subsidies, but has decelerated rapidly to 24.8 percent in 2017^[4]. The central government overachieved its primary deficit target in 2016 (4.3 vs. 4.8 percent of GDP) and in 2017 (3.9 vs. 4.2 percent of GDP). The target primary deficit for 2018 (3.2 percent of GDP) will require further fiscal consolidation efforts.

3. **The Government has taken important steps to address the key macroeconomic imbalances with the objective of creating an environment conducive to economic growth and employment creation.** Argentina offers many business opportunities for foreign investors and firms in a weak global environment. Going forward, Argentina aims to continue building a growth-enabling policy framework to enhance credibility and to support broad based growth and quality employment. In particular, the Government promotes the following policies to reduce inflation and put Argentina on a sustainable growth path: (a) increase public spending efficiency and efficacy and reduce the fiscal deficit to meet targets; (b) continue fostering the credibility of the Central Bank so that monetary policy can further anchor inflation expectations; (c) strengthen competitiveness and productivity through an improved business environment and investments in infrastructure and increasing competition in markets and improving the regulatory framework in sectors; (d) continue strengthening the credibility of official statistics; and (e) continue improving the provision of public goods (including transportation, health, and education) and reducing regional disparities.

^[1] Source: Ministerio de Trabajo, Empleo y Seguridad Social

^[2] Source: National accounts and Monthly Estimate of Economic Activity, INDEC..

^[3] Consensus Forecast, February 2018.

^[4] Source: INDEC.



4. **Argentina's vast farmlands and favorable natural conditions have placed the country among the world's leading food exporters, but Argentine agriculture is reaching a crucial juncture.** Agriculture and agribusiness investment fell in 2002–13, despite a decade of high commodity prices, as the sector was buffeted by policies that narrowed profit margins and stifled investment. The rate of total factor productivity growth slowed compared to neighboring countries.¹ The new administration supports incentives for development and investment and although agricultural commodity prices have gone up in 2018, their dependence on local weather conditions make their forecast extremely uncertain.

5. **A range of macro-policy, price, and production risks have translated into large economic losses in agriculture and beyond.** In the past two decades, extreme weather alone caused an estimated loss in agricultural GDP of US\$ 12 billion (current value).² Between 1993/94 and 2014/2015, farmers experienced extreme losses (a yield decline of more than one standard deviation) in soybeans (estimated at US\$ 8.7 billion), maize (US\$ 2 billion), wheat (US\$ 860 million), and sunflower (US\$ 493 million). Changes in commodity market prices and trade policies (such as changes in export taxes) led to similarly large losses. A large segment of farmers in Argentina, especially family farmers,³ remains vulnerable to these risks, because they lack access to the improved farm technologies and financial instruments that would allow them to manage risk better.

6. **Extreme droughts since the mid-2000s have triggered the largest number of national agricultural emergencies, with highly adverse effects on livestock production.** In 2009 alone, 90% of the national territory experienced drought, with the most severe episodes recorded in northern La Pampa Province and southern Buenos Aires and Cordoba Provinces.⁴ Cattle numbers dropped by 15%, from 58.7 million in 2007 to 49.9 million in 2012.⁵ Projections of potential impacts of climate change on agriculture in Argentina include moderate increase in droughts and water stress for the northeast region, while other parts of the country are likely to experience extreme rainfall and rain-induced floods; available simulations also point out at an increased risk for river flooding and sea-level increase (See Annex 7 for a detailed summary)..

7. **The prices of agricultural commodities produced in Argentina do not follow a predictable pattern. The Argentine state failed to materialize US\$ 8.26 billion of revenues in the 2013-2015 period given the drop in international prices of agricultural commodities.**⁶ On the other hand, the country has one of the world's oldest agricultural commodity exchanges, but only large commercial farmers and agribusinesses currently are able to take advantage of price hedging. The government (with World Bank support) implemented Sio-Granos, an information system to record spot prices in real time for several agricultural commodities.⁷ The GoA plans to expand Sio-Granos to other supply chains with a larger number of family farms and to include reference prices and quality standards.

¹ The Agriculture Production Index of the Food and Agriculture Organization of the United Nations (FAO) for Paraguay, Brazil, and Uruguay was 20–30% higher than that of Argentina in 2013. In Argentina, this trend was closely associated with domestic policies that imposed export tariffs, quotas, and exchange rate controls [Instituto de Estudios Económicos (IEE) de la Sociedad Rural Argentina (SRA)].

² World Bank (2016), Agriculture Risk Management Policy Note for Argentina.

³ See Annex 1 Paragraph 6 for a detailed description of family farmers.

⁴ Sousa (2009).

⁵ FAOSTAT.

⁶ World Bank (2016), Agriculture Risk Management Policy Note for Argentina.

⁷ Sio-Granos (www.siogranos.com.ar) displays wheat, maize, sunflower, soybean, soybean oil, forage barley, and sorghum prices. It aims to improve transparency in the physical grain market and promote links between the quality and price of traded products.



8. **Agricultural risk has a major fiscal impact, particularly in provinces where agriculture plays an important socio-economic role.** For instance, in Santa Fe Province, the third largest province-level economy of the country after the City of Buenos Aires and the Province of Buenos Aires, from 2006/07 to 2015/16 alone, systemic risk in the form of extreme drought and floods to agriculture represented an average fiscal burden of US\$ 165 million in national tax revenues forgone *every year*. (Note that this estimate excludes losses in livestock and dairy production, and that losses rise to US\$ 187 million if public emergency response expenditures for 2008–16 are added.) These figures indicate the potentially very large and positive fiscal impact of better agricultural risk management.

9. **Public policies and programs for management of agricultural risk currently focus on ex-post recovery from agricultural emergencies rather than prevention and reduction of impacts.** Larger and more commercially oriented farmers and agribusinesses have access to agricultural insurance and are adopting climate-smart agriculture (CSA)⁸ technologies to better manage production risks, but these instruments are not reaching the more vulnerable farms. Silvopastoral systems for livestock are used on more than 60% of farms, yet Normalized Difference Vegetative Index (NDVI)⁹ pasture management is used on less than 30% of the area. In agriculture, adoption of climate-smart technologies is even lower.

10. **High exposure to agricultural risk increases the vulnerability of family farmers impacting agricultural production, exports, livelihoods and the overall rural economy.** Argentina has some 250,000 family farms, where 67% of the rural population resides. These farms account for 75.5% of agricultural holdings and 64% of agricultural employment. Women's role in agriculture is especially important in areas where men have migrated out of the countryside; the number of rural households headed by women increased by 90% between 2001 and 2010 (it rose by 72% in urban areas). The majority of family farms (77%) are concentrated in five regions: Pampeana, Mesopotamia, Monte Árido, Chaco Húmedo, and Valles del Noroeste argentino. Family farmers have a sizeable presence in tobacco, yerba mate, maize, wheat, and sunflower production. Nearly half (45%) can be described as subsistence farmers who depend mainly on outside income and social protection programs, and although the remaining 55% have more resources, the vast majority rely on traditional production methods and cannot invest in risk management technologies or instruments.

11. **Based on these considerations, the Government of Argentina is moving from an ex-post system of coping with agricultural emergencies to an ex-ante integrated risk management system.** This shift reflects the need to: (i) improve agriculture risk information systems to improve decision making; (ii) enable farmers to adopt better risk management technologies and instruments (including off-farm works and infrastructure); and (iii) reform the agricultural emergency system to respond better and faster to family farmers. The proposed operation will support these policy and program reforms by building better capacity for agricultural risk management in public and private institutions. It will also contribute to the vital role that agriculture plays in adapting to and mitigating climate change, as well as to achieving Argentina's commitments to national greenhouse gas emission reductions under its Nationally Determined Contribution (NDC).

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

⁸ CSA technologies are practices, equipment, and techniques that simultaneously (i) increase farmer revenue/yields, (ii) mitigate climate change (reduced greenhouse gas emissions), and (iii) increase farmers' resilience to weather shocks.

⁹ NDVI (Normalized Difference Vegetative Index), a remote sensing application, can be used as an indicator of drought.



The objective of the project is to improve the management of agricultural risks by beneficiaries and selected sectoral institutions.

12. **The direct beneficiaries of the project are vulnerable family farmers, family farmer groups, and select public institutions in the provinces where project activities are carried out.** Given that there is limited information on farmer vulnerability in Argentina, the proposed project applies a three-tiered process to identify the population of targeted vulnerable family farmers. As detailed in Box 1, this entails a stepwise process: i) defining “family farmers,” ii) identifying those family farmers considered to be “vulnerable” and those provinces with the greatest density of such vulnerable family farmers, and iii) assessing levels of vulnerable farmer capitalization to determine the level of support provided under the proposed project.

13. **Indirect beneficiaries of the proposed project include the public and private entities that benefit from access to the strengthened information systems provided under Component 1.** These indirect beneficiaries may include contractors (firms and employees) who provide services to farmers and whose incomes often collapse when disaster strikes agricultural production; firms and their employees, both upstream and downstream in agricultural value chains, who depend on reliable supplies of agricultural products; and provincial governments (beyond those selected for direct participation in the project), which allocate scarce public funds to cope with emergencies and loose revenue when emergencies occur in their jurisdictions.

Box 1: Identification and targeting of direct beneficiaries in GIRSAR

IDENTIFICATION OF DIRECT BENEFICIARIES

The direct beneficiaries of the project are vulnerable family farmers, family farmer groups, and select public institutions in the provinces where project activities are carried out. This box provides a brief description of the methodology and process for selecting and targeting the direct beneficiaries of GIRSAR (notably vulnerable family farmers and project Provinces that would benefit from the technical assistance, financing and incentives provided including through infrastructure and natural resource management (NRM) investments of a “public good” nature and more specifically through matching grants for sub-projects).

Vulnerable family farmers

A three-tiered process will be applied to define the population of targeted vulnerable family farmers. As detailed below, this process will 1) define “family farmers,” 2) identify those family farmers considered to be “vulnerable” and those provinces with the greatest density of such vulnerable family farmers, and 3) from within this last group, assess the different levels of capitalization to determine the level of support to be provided under GIRSAR:

- 1) The Government of Argentina’s Article 5 of the Family Farming Law¹⁰ was used to define the universe of “family farmers.” Article 5 defines family farmers as those who carry out productive agricultural,

¹⁰ Law 27.118 "Historical repair of family farming for the construction of a new rurality in Argentina" (Ley 27.118 "Reparación histórica de la agricultura familiar para la construcción de una nueva ruralidad en Argentina"). Article 5 of the Family Farming Law defines family farmers as those who carry out productive agricultural, livestock, forestry, fishing and aquaculture activities in rural areas and meet the following requirements: a) The management of productive entrepreneurship is exercised directly by the producer and/or a family member; b) Owns all or part of the means of production; c) Job requirements of the holding are mainly covered by family labor and/or with complementary contributions from employees; d) The family of the farmer lives in the field or in the nearest town; e) Have the agricultural activity of their holding as the main source of income of their family; f) Small producers, smallholders, peasants, farmers, settlers, sharecroppers, artisanal



livestock, forestry, fishing and aquaculture activities in rural areas and fulfill a range of requirements. These requirements include *i.a.* direct management of productive entrepreneurship by the farmer and/or a family member, ownership of all or part of the means of production, and the agricultural activity of the holding being the main source of family income. This definition will be operationalized following the typology of family farmers established in the study "Family farms in the Republic of Argentina: an analysis based on data from the 2002 National Agricultural Census" by Scheinkerman de Obschatko, Edith (2009). In turn, said operationalization will be clearly established in the OM.

2) A family farming typology¹¹ was applied to create a composite index¹² that weights and ranks provinces according to the density of family farmers that are vulnerable to a set of relevant risks (Component 2.2; see Annex 1 Table 2). The criteria for vulnerability relate to the level of farm-related assets, amount of land, units of livestock, and dependence on nuclear family labor versus hired employees.

3) The level of capitalization¹³ of identified vulnerable family farmers was assessed in terms of accessibility to formal credit/financing sources such as commercial banks, to determine the level of support provided under the proposed project (Component 2.3; see Annex 1 Table 6 for more detail).

Of Argentina's 333,500 farms, about 75% (about 250,000) are family farms. Of the 250,000 family farmers, the project aims to reach about 20,000, who are considered to be vulnerable according to this three-tier process.

Women and indigenous vulnerable family farmers

As agricultural risks can have different impacts on women and indigenous farmers, their needs were specifically identified and incorporated into the project. With the aim of targeting vulnerable family farms and farmer groups in a gender-sensitive way,¹⁴ the project will support women's livelihood strategies by: (i) developing specific solutions to address the differentiated impact of risks on women; (ii) strengthening the agricultural emergency system to distinguish between male and female beneficiaries; (iii) developing capacity-building materials and strategies for CSA to address the needs of female farmers and family members; (iv) ensuring that women have access to public infrastructure investments to mitigate agricultural risks; and (v) offering special incentives for matching grants to groups that include female farmers. Gender-disaggregated indicators and impact evaluation will measure the project's specific impact on women.

The project also incorporates opportunities for vulnerable, indigenous family farmers within the targeted beneficiaries, including access to project benefits such as capacity building, technological innovation,

fishermen, family farmers and, also, landless rural farmers and producers, peri-urban producers and communities of indigenous peoples included in items a), b), c), d) and e) above.

¹¹ Scheinkerman de Obschatko, Edith (2009). "Las explotaciones agropecuarias familiares en la República Argentina: un análisis a partir de los datos del Censo Nacional Agropecuario 2002". Ministerio de Agricultura, Ganadería, Pesca de la Nación, Instituto Interamericano de Cooperación para la Agricultura. Estudios e investigaciones; 23.

¹² The index first normalizes two variables: density of family farmers at provincial level and density of family farmers at national level. It then weights equally those normalized values to produce a composite index. This index is then used to rank the provinces from highest to lowest density.

¹³ As per standard procedures followed by commercial banks in Argentina. Capitalized/bankable clients are those considered to have access to financing from formal financial institutions, such as banks (conversely, banks regard these clients as creditworthy and are willing to lend to them).

¹⁴ Following guidance in World Bank (2017), "Food and Agriculture Global Practice Follow-Up Note & Action Plan: Implementing The World Bank Group's Gender Strategy—From Analysis To Action To Impact." This publication emphasizes that a gender-differentiated risk management strategy will incorporate specific programs and projects to address stakeholders' vulnerabilities arising from gender differences, and that the risk management assessment process should capture the relevant information and prioritize the solutions that will remove gender-based constraints and give all stakeholders access to risk strategies and tools. The main policy and operational implications are that gender-differentiated impacts of shocks, the causes of differentiated responses, and the effects on well-being and resilience need to be identified through a gendered assessment of agricultural risk to fill the information gap, inform policy, and better target operational tools and interventions.



financial services, access to information, and organizational, administrative, commercial, and financial training.

Family farmer groups

Family farmer groups will be defined as farmer associations or cooperatives that have a majority of members composed of vulnerable family farmers. The project aims to reach about 200 of these largely vulnerable family farmer groups.

Select public institutions

In addition to vulnerable family farmers and farmer groups, select public institutions in the provinces supported under the project will also directly benefit from the project. These institutions include the Ministry of Agroindustry (MAI), National Meteorological Service (SMN), National Commission of Space Activities (CONAE), National Institute of Agricultural Technology (INTA), other decentralized agencies of the MAI and Governments of the participating Provinces, and select financial institutions.

TARGETING OF DIRECT BENEFICIARIES

For the allocation of project resources, the selection process will take place at two levels: at province level and at the individual/famer group level.

Selection of provinces

The project will finance investments in at least 8 and up to 12 provinces that have adopted a Provincial Integrated Agricultural Sector Risk Management Plan (PARMP) (see Component 2). The first requirement for selection is an expression of interest on the part of the province following a process established under previous Bank interventions and set out in the project's operations manual. If more than 12 provinces express interest, a prioritization will take place based their ranking according to a composite index that weights the number and concentration of vulnerable family farmers in each Province (see Annex 1 Table 2).¹⁵ Use of this index will thereby enable management of any excess demand for resources at the provincial level.

Targeting

Once provinces are selected, targeting of individual beneficiaries will take place to give them access to two types of investments: 1) infrastructure and NRM (subcomponent 2.2) -albeit these are of a public good nature, the location/nature of such investments would be appropriately informed, and 2) technical assistance and incentives to vulnerable family farmers through matching grants (subcomponent 2.3). No less than 10% of the total family farmers contained in the selected provinces will be financed.

Infrastructure and NRM Investments (subcomponent 2.2)

Under Subcomponent 2.2, the proposed project will finance the subprojects identified and prioritized in Agricultural Value Chain Risk Strategies (AVCRSs) and PARMPs (combinations of works, goods, consulting and non-consulting services, and operational costs). For public infrastructure/NRM subprojects, eligibility requirements include (i) fulfillment of minimum institutional capacity building on the fiduciary and safeguard issues required to effectively participate in project activities (provided under Component 2.1); (ii) approval of a provincial law authorizing indebtedness for project-related activities; (iii) fulfillment of legislation specifying fiscal responsibility to sign the Framework for a Subsidiary Loan Agreement;¹⁶ (iv) authorization from the relevant provincial institutions and the Secretariat of Finance of the National Ministry of Economy and Production; and (v) signing of

¹⁵ Different weighting schemes were tested to prioritize family farmers by its level of vulnerability.

¹⁶ Before signing a Subsidiary Loan Agreement, the province must demonstrate that it complies with the provisions of the Fiscal Responsibility Law, or that an adequate fiscal framework is in place, in the case of those provinces that have not committed to the Fiscal Responsibility Law. Said province must comply, at least during project implementation, with the provisions of said Fiscal Responsibility Law or framework (as the case may be). As of March 2008, all provinces except for San Luis and La Pampa have adhered to the Fiscal Responsibility Law.



a Subsidiary Loan Agreement for each subproject. Activities under this subcomponent will also ensure that vulnerable family farmers and women farmers have access to such investments.

If the list of proposed investments for any given PARMP or AVCRS exceeds the pre-allocated total investment amount, a two-step prioritization process will be undertaken in which public infrastructure/NRM subproject profiles are first subjected to a “pass-fail” assessment and then ranked according to basic economic/financial, social, and environmental considerations. Identified subprojects will be subject to the approval of a committee comprised of various technical specialists from MAI and external organizations.

Technical assistance and incentives to family farmers through matching grants (subcomponent 2.3)

Regarding the matching grants mechanism under Subcomponent 2.3, the project will allocate 60% of grant funds to family farms and/or farm groups that are assessed to be semi-capitalized¹⁷ and present a subproject to the Rural Change Unit (DGPPSE) of MAI that meets the requirements set out in the project’s operations manual (see Annex 1 Table 6). Twenty percent of grant funds will be allocated to family farms and/or farmer groups that are assessed to be capitalized already, and 20% will be allocated to those assessed to be not yet capitalized. Incentives and technical assistance will be offered that address the needs specifically of women farmers and family members, including special incentives for matching grants to groups that include women farmers.

Should there be excess demand for project resources under this subcomponent, the selection mechanisms using clear criteria and process (see subcomponent 2.3 below) will be used to prioritize and manage the same.¹⁸

Key Results

- i. Public and private agrometeorological systems integrated into a single public access platform
- ii. 100,000 users access new or improved public agricultural risk information systems (including price, production, and agroclimatic data systems).
- iii. 12,000 family farmers (of which 20% women) with access to improved infrastructure for agricultural risk mitigation and natural resources management.
- iv. 5,300 family farmers (of which 20% women) adopting new CSA and improved risk management technologies or practices. [CORE SD INDICATOR: Farmers adopting improved agricultural technology.]
- v. 7,300 family farmers (of which 20% women) are part of an improved agricultural emergency system.
- vi. 20,000 family farmers (of which 20% women) reached with agricultural assets or services. [CORE SD INDICATOR]

D. Project Description

14. To foster an integrated risk management approach, the project is divided into three tightly linked components focused on key areas of improvement in current public policies and programs. For example, Component 1 provides improved probabilistic information and risk maps for the design and adoption of CSA technologies and public infrastructure investments under Component 2, as well as assessments and forecasting for improving and operating the agricultural emergency system being strengthened under Component 3. Components 2 and 3 will be closely coordinated because they target the same beneficiaries, and the promotion of CSA technologies must align with the requirements of the agricultural emergency response system if vulnerable family farmers are to be in a position to mitigate (and not simply cope with) risk. A fourth component supports project administration. Brief descriptions of the components follow; for details, see Annex 1.

¹⁷ Capitalized/bankable clients are those considered to have access to financing from formal financial institutions, such as banks (conversely, banks regard these clients as creditworthy and are willing to lend to them).

¹⁸ Details of this will be presented in the operations manual of the project.



15. **Component 1: Strengthening Agroclimatic Information Systems** (US\$12.5 million, of which 80% World Bank). To use public funds to leverage private assets and participation, this component will finance improvements in the capacity and interoperability¹⁹ of agroclimatic and price information systems operated and/or disseminated by MAI and other selected public and private entities linked to the agricultural sector. MAI currently has several agreements to integrate agroclimatic and price information systems with agricultural commodity exchanges with CONAE, SMN, and INTA. Component 1 will build upon these agreements²⁰ to improve system capacity and interoperability by financing goods, training, consultant services, and operational costs to develop or enhance information technology (IT) systems and software solutions that improve access to agroindustrial information and enhance the assessment of agricultural risks associated with climate variability, climate change, and market price fluctuations. Two key results are expected from this component; first, a well-functioning early warning system for the main hazards that affect agricultural value chains²¹ and second, a reliable and easily accessible system to provide production, price, and agrometeorological information to the public. The incentive for CONAE, SMN, and INTA to integrate their agroclimate and price networks is that they will gain access to a much broader set of historical and spatially distributed data without incurring additional operation and maintenance costs. The improved availability of data and early warnings will ultimately help vulnerable farmers and the agencies that support them to make more informed decisions about risk mitigation. This component will offer specific solutions to address the differentiated impact of risks on women farmers specifically. IBRD funding adds value by bringing in the World Bank's global experience in developing state-of-the-art agroclimatic information systems and ensuring that the information generated by the new integrated system in Argentina is shared as a global public good.

16. **Subcomponent 1.1. Development of tools and systems.** This subcomponent will consolidate and integrate production, price, and meteorological information generated by a variety of public and private institutions (SMN, INTA, CONAE, MAI, and the commodity exchanges).

17. **Subcomponent 1.2. Institutional capacity development.** This subcomponent will build capacity in selected national and provincial government institutions to operate the information systems developed through this project. It will also finance accessible user interfaces to facilitate the development of software solutions by the private sector, based on data generated by the improved and integrated information systems.

18. **Component 2: Agricultural Risk Mitigation Investments** (US\$143.7 million, of which 80% World Bank). Component 2 will support vulnerable family farmers (and the agroindustrial sector as a whole) in mitigating agricultural risk through the preparation and implementation of regional (inter-provincial) agricultural value chain risk strategies (AVCRSs) and provincial integrated agricultural sector risk management plans (PARMPs).²² For that purpose, Component 2 will finance: (i) the formulation of up to 15²³ AVCRSs for the agricultural value chains that have been prioritized;²⁴ (ii) the formulation of PARMPs

¹⁹ Interoperability means that information is easily interchanged or shared between applications developed for different purposes; it fosters information processing and analysis.

²⁰ No funds will be transferred to these institutions. All procurement will be done by the Rural Change Unit (DGPPSE) of MAI.

²¹ An example is the linkage and coordination with the Information and Early Warning System (IEWS) established under the Argentina Adaptation Fund: Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province (P125804) and coordinated between INTA and SMN.

²² AVCRSs and PARMPs will follow the World Bank agriculture sector-wide [risk assessment methodology and will include requirements specified in World Bank safeguards policies \(or any other methodology acceptable to the Bank\)](#).

²³ Two AVCRSs have already been prepared (maize and viticulture).

²⁴ Twenty priority value chains identified at the national level by the Provincial Council of Agriculture Ministers (CFA) (see Annex 1) would be eligible for the development of AVCRSs.



for up to 15 interested provinces;²⁵ and (iii) the implementation of risk mitigation investments for at least 8 and up to 12 provinces (see Annex 1 Table 2 for detail on the prioritization of provinces). The risk mitigation investments for these farmers can cover: (i) rural public infrastructure works; (ii) afforestation, reforestation, and watershed management to protect water sources, to reduce flood risks, and to serve as a basis for encouraging the adoption of good practices and CSA technologies; and (iii) incentives for the adoption of CSA technologies.²⁶ IBRD funding adds value by helping to mitigate climate change through well-planned investments in rural infrastructure and localized landscape and watershed management including through the adoption of CSA technologies, which in turn should increase the stability and sustainability of food production in Argentina, a global food supplier. The CSA technologies developed and promoted by the project will also contribute to global knowledge on CSA implementation and outcomes. Through joint work with IFC and select local commercial banks,²⁷ IBRD funding will help leverage private investments following the maximizing finance for development approach through the improved management of agricultural sector risks.

19. ***Subcomponent 2.1: Institutional strengthening for the integrated management of agricultural risk.*** The MAI, INTA, and provincial governments will improve their capacity to manage agricultural risks through this subcomponent, which will finance: (i) the formulation of up to 15 AVCRSs for prioritized agricultural value chains and up to 15 PARMPs for interested provinces; (ii) capacity building for national and provincial government institutions in the integrated management of agricultural risks; and (iii) the formulation of subprojects for climatic risk mitigation prioritized by PARMPs, and pre-investment studies for the design of other activities prioritized in PARMPs and AVCRSs (not necessarily to be financed by the project).

20. ***Subcomponent 2.2: Infrastructure and natural resource management (NRM).*** These “public goods” will help reduce the impact of weather risks on family farmers at the subregional level; to this end, the subcomponent will finance on-lending to provinces to execute risk mitigation subprojects (combinations of works, goods, consulting and non-consulting services, and operational costs) identified and prioritized in their PARMP and AVCRS. Subprojects will be financed for at least 8 and up to 12 provinces. If more than 12 provinces express interest, a prioritization will take place based on their ranking according to a composite index that weights the number and concentration of vulnerable family farmers in each Province (see Annex 1 Table 2). Identified subprojects will be subject to the approval of a committee comprised of relevant technical specialists from MAI as well as from external and independent organizations. The activities under this subcomponent will also benefit women farmers since they will have access to improved public infrastructure investments. A survey to institute the baseline as well as an end-line survey of farmers benefitting under this subcomponent will be carried out.

21. ***Subcomponent 2.3: Technical assistance and incentives to vulnerable family farmers.*** To promote the adoption of validated CSA technologies by vulnerable family farmers, this subcomponent will finance three activities: (i) training and technical assistance services for vulnerable family farmers, farmer groups, and select financial institutions; (ii) applied research, piloting, and dissemination of promising but untested CSA technologies and risk management practices and instruments; and (iii) incentives—in the form of matching grants—for vulnerable family farmers and farmer groups to adopt CSA technologies,²⁸ risk management practices, and instruments identified in the PARMPs. This third

²⁵ Two PARMPs have already been prepared (Buenos Aires and Mendoza Provinces). At least eight provinces are receiving training for preparing PARMPs, expected to be completed by the end of 2018.

²⁶ Given the “no-regret” nature of the CSA technological packages, an approved PARMP is not required for implementing this activity.

²⁷ Local Banks that previously have partnered with IFC will be selected initially.

²⁸ INTA will define and validate the menu of eligible CSA technologies and practices.



activity will include a pilot of the matching grant incentives, which will be disbursed through DGPPSE directly or through select local commercial banks participating in IFC advisory services and lines of credit. Sixty percent of grant funds will be allocated to family farms and/or farmer groups that are assessed to be semi-capitalized²⁹ and present a subproject to the Rural Change Unit (DGPPSE) of the Ministry of Agroindustry (MAI) that meets the requirements set out in the project's operations manual (see Annex 1 Table 6). Twenty percent of grant funds will be allocated to family farms and/or farmer groups that are assessed to be capitalized already, and 20% will be allocated to those assessed to be not yet capitalized. Should there be excess demand for project resources for subcomponent 2.3, the GIRSAR Operations Manual will set out in detail the selection mechanisms carried out by a technical committee chaired by DGPPSE, and comprising MAI and selected provincial government staff as well as observers from independent civil society organizations. Sub-projects with the closest match to the economic, technical and social results criteria/requirements of each periodic "call for proposals", and within the financial envelope set out, will be used to select the proposals and manage any excess demand. In all cases, clear selection criteria and process (*ex-ante*), as well as the list of selected sub-projects (*ex-post*) will be transparently communicated including on websites of DGPPSE and selected provinces.³⁰

22. Technical assistance and incentives for CSA that address the needs specifically of women farmers and family members will be offered. The adoption of CSA technologies is expected to have a strong demonstration effect, even in areas not directly involved in the project.

23. **Component 3: Agricultural Emergency Response Financing and Transfer of Agroclimatic Risks** (US\$21.9 million, of which 80% World Bank). This component aims to improve the operation of the agricultural emergency (*Emergencia Agropecuaria*) system at the national and provincial levels to cover larger numbers of family farmers. Component 3 will finance: (i) technical assistance for the Agricultural Emergency Directorate of MAI and for the private sector to build capacities for agricultural risk valuation and analysis; (ii) the development of aggregate (provincial or regional-level) agricultural risk financing instruments to protect family farmers (examples include parametric insurance, catastrophe bonds, contingent lines of credit, and weather derivatives), as well as training and technical assistance³¹ for their validation and adoption; and (iii) payment of premiums and related costs of agricultural risk financing instruments to protect family farmers, to be piloted under an integrated risk financing framework of the agricultural emergency system, on the basis of national and/or provincial demand. The risk financing instruments to be piloted will include at least three macro-level risk transfer products offering protection for notably for vulnerable family farmers against: (i) drought and flood risks for maize, (ii) drought risk for pastures (livestock), and (iii) wind risk for horticulture. The project-finance of premia will cover an initial few cycles, following which the Government of Argentina financing will take over. IBRD financing adds value by helping to develop and implement innovative designs for risk financing instruments such as insurance and derivatives, among others, that make it possible for family farmers to hedge their exposure to catastrophic risks. The World Bank has unique global experience in developing such instruments, as evidenced by the recent weather derivative contract against drought offered to the

²⁹ Capitalized/bankable clients are those considered to have access to financing from formal financial institutions, such as banks (conversely, banks regard these clients as creditworthy and are willing to lend to them).

³⁰ Details of this will be presented in the operations manual of the project.

³¹ Training and technical assistance will include building capacity in provincial-level staff from the Ministries of Finance and Agriculture to identify, quantify, and assess agricultural risks in order to make informed decisions about optimal agricultural financial strategies to manage fiscal resources to address extreme shocks to the sector.



Government of Uruguay and the recent development of a catastrophe bond for Pacific islands against storm risk.

24. **Component 4: Project Coordination, Monitoring, and Evaluation** (approximate cost US\$ 9.3million, of which 80% World Bank). This component provides support to MAI, through DGPPSE, for (i) project coordination and management; (ii) monitoring, results evaluation, and assessment of project activities; (iii) project fiduciary administration, internal controls, and audits; (iv) project environmental and social risk/safeguard management; (v) a citizen engagement mechanism and grievance redress mechanism; and (vii) project-related studies (see Annex 2 for more detail). An important project-related activity may include an update of the vulnerable family farming study, with a special focus on analyzing various vulnerability parameters of low-income farming households in Argentina to improving the targeting of policies and programs going forward.



E. Implementation

Institutional and Implementation Arrangements

25. The implementing agency will be MAI, through DGPPSE.³² DGPPSE will have overall responsibility for project coordination, monitoring and evaluation (M&E), safeguard management, procurement, and financial management of all loan proceeds. For Component 1, DGPPSE will coordinate with Sub-secretariat of Political Coordination (SPC) with technical support the Directorate of Information and Public Statistics of the Secretariat (DIEP) of Agribusiness Markets of MAI; with the Secretariat of Agriculture of MAI and participating provincial governments for activities under Component 2; and with the Sub-secretariat of Agricultural Emergencies of MAI for activities under Component 3. Other national-level government entities will participate, such as INTA, which will have a technical role in the definition of CSA packages and provision of technical assistance to family farmers, and SMN and CONAE, which will provide agrometeorological and remote sensing data to develop risk information tools and systems. The inter-institutional agreements between these participating entities are already in place and already reflect the responsibilities for information sharing and use essential to the successful integration of systems as supported under the project. No loan proceeds will be transferred to collaborating institutions.

26. Provincial governments will implement public infrastructure and natural resource management investments under Component 2 with financing from sub-lending by the federal government to provincial governments, under an established methodology used in other Bank- and donor-financed projects managed by DGPPSE. MAI has cooperation agreements with the provincial government of Buenos Aires to jointly manage information linked to the agricultural sector, develop an integrated agroclimatic and price information system, provide technical assistance, and carry out risk analysis.

27. **The project will seek additional synergies during implementation with public and private initiatives supported by the World Bank Group.** The proposed project will work alongside ongoing and future IFC advisory services and investments, through select IFC-vetted commercial banks in Argentina offering financing for CSA investments for farmers (borrowers). Additionally, in the case of Buenos Aires Province, coordination is already established between the proposed project and the Salado Integrated River Basin Management Support Project (P161798). In this regard, as noted earlier, MAI has established cooperation agreements with the provincial government of Buenos Aires to manage information jointly (see above and also Annex 1, Component 2.2). Counterparts from the Salado Integrated River Basin Management Support Project and the proposed project will be identified to work together and enable coordination and cooperation.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Specific subprojects to be financed under Component 2 to strengthen resilience of the agricultural sector will not be identified before the project appraisal, and therefore their specific locations and environmental and social conditions are not known. While the project is national in scope, the natural environments of the

³² DGPPSE has experience with Bank-financed agricultural development projects, the latest being the Second Provincial Agricultural Development Projects (P106694), which closed on March 15, 2017.



Argentine provinces vary widely, including high diversity of ecosystems ranging from forests to desert and the Andes Mountains. The respective social and productive contexts are also diverse, the producer groups varying from large producers to subsistence farmers. Due to the national scope of the project, the project addresses potential presence of Indigenous Peoples. The first provinces to develop a provincial-level integrated agriculture sector risk management plan (PARMP) are the Provinces of Buenos Aires and Mendoza.

G. Environmental and Social Safeguards Specialists on the Team

Tuuli Johanna Bernardini, Environmental Safeguards Specialist

Claudio Luis Daniele, Environmental Safeguards Specialist

German Nicolas Freire, Social Safeguards Specialist

Eleonora Beatriz Camalli, Social Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

| Safeguard Policies | Triggered? | Explanation (Optional) |
|-------------------------------------|------------|--|
| Environmental Assessment OP/BP 4.01 | Yes | <p>OP/BP 4.01 on Environmental Assessment is triggered as the physical interventions/subprojects under Component 2 could have negative environmental impacts, such as soil degradation/erosion and/or contamination by agrochemicals, in case related risks were not properly managed. In terms of environmental risk rating, the project is rated as Category B, taken most project activities are expected to have low to moderate impacts that can be prevented or mitigated. No subproject considered of Category A under the OP/BP 4.01 definition will be eligible for project financing.</p> <p>Taken the subprojects under Component 2 will only be defined during implementation, the Bank supported the Environmental and Social Unit (SEU) of DGPPSE to prepare, disclose and consult an Environmental and Social Management Framework (ESMF). The ESMF guides the type and scale of eligible investments by basic environmental and social criteria and guidelines for preparing and</p> |



implementing the regional-level (inter-provincial) agriculture value chain risk strategies (AVCRSs) and the provincial-level integrated agriculture sector risk management plans (PARMPs). They will integrate needs assessments and align applicable climate-smart agriculture (CSA) technology/investments with the production potential and market demand. Subproject eligibility criteria includes a negative list based on non-eligible environmental and social impacts. Said list forms part of the overall eligibility criteria included in the project's operational manual. Each subproject will develop a business plan that includes infrastructure needs and other case-specific requirements, including demonstration of environmental sustainability.

The ESMF provides the premises for each subproject to comply with the national, provincial and local legislation and the Bank's safeguard policies. It includes a training and institutional capacity building plan, frontloaded for the first semester of the project implementation period to support and secure optimal ESMF implementation. The ESMF guides identification and adoption of measures to mitigate environmental and social impacts and good practices to create environmental and social value added. It has been structured to prevent, minimize and mitigate impacts on forests, water resources, worker and community health and safety, as well as public infrastructure and services. The ESMF requires compliance with the relevant sections of the World Bank Group General Environmental, Health and Safety (EHS) Guidelines e.g. on annual crop production, perennial crops and related water consumption and management. All subprojects will require a site-specific Environmental and Social Management Plan (ESMP) that will be included in the bidding document and contract of each work. The design of the subprojects' monitoring and evaluation system will include a couple of environmental/social indicators to secure close monitoring of implementation of the key aspects of the ESMP.

As part of the ESMF preparation, SEU/DGPSE prepared a Social Assessment. It includes an analysis



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| | | of the social context, diversity and gender, different institutions across the sector, participation frameworks and processes, stakeholders, and social risks. DGPPSE has identified key areas where the project is expected to contribute positively to social development. |
| Natural Habitats OP/BP 4.04 | Yes | The project has been designed to contribute to development of capacity of national and local institutions for effective environmental planning and management in relation to climatic risks and improved land use practices. Even though all the productive activities financed by the project will be implemented in areas already under agricultural production, OP/BP 4.04 is triggered for precautionary purposes as watershed management and flood control investments financed by the project may require restoration activities e.g. on buffer or adjacent zones to protected areas. If such situation is identified at the subproject screening stage, the ESMF will require identification of support activities to strengthen the associated management instruments/practices. Triggering OP/BP 4.04 will secure the project is able to implement potential restoration activities related to any type of natural habitat. The ESMF includes a negative list that will exclude any investment that might impact negatively any type of natural habitat. |
| Forests OP/BP 4.36 | Yes | OP/BP 4.36 is triggered as project is expected to finance afforestation, reforestation, and protection and recovery of forests, particularly as part of watershed management. Only investments with positive impacts on forests and/or people dependent on forests will be eligible. The project will not intervene in the forest value chain. As Component 2 will promote diversification of agricultural production and finance climate-smart technologies (e.g. agroforestry systems and agro-silvo-pastoral models), the project is expected to contribute to reducing pressure on forests and favor their management and conservation efforts. |
| Pest Management OP 4.09 | Yes | The project will finance subprojects in agricultural systems that may require use of agrochemicals. The project design includes a list of agriculture innovations to be promoted and additional technologies may be incorporated at a later stage, |



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| | | <p>and some of them will most probably include use of agrochemicals. OP 4.09 will be applied in each subproject that requires use of agrochemicals, following an Integrated Pest Management Framework included as Annex 7 to the ESMF.</p> |
| Physical Cultural Resources OP/BP 4.11 | Yes | <p>Project implementation is not expected to have any negative impact on identified physical cultural resources. However, the OP/BP 4.11 is triggered for precautionary purposes. The ESMF provides guidance to address potential chance finds during implementation of construction activities and soil excavation. The SEU/DGPPSE has proven experience and appropriate procedures in place to address chance finds, aligned with Argentina's well-developed legislative framework on the subject.</p> |
| Indigenous Peoples OP/BP 4.10 | Yes | <p>The project triggers OP 4.10 due to its national scope. IPs are present in Argentina and the income of several indigenous communities is linked to agriculture or livestock farming in small scale. During project preparation, it was not possible to define where the subprojects will be located and which IP communities they might impact. Consequently, supported by the Bank, SEU/DGPPSE prepared an Indigenous Peoples' Planning Framework (IPPF) that will ensure that: (i) IP groups participate in planning of project activities that affect them; (ii) IPs receive social and economic benefits that are culturally appropriate and gender and inter-generationally inclusive; and (iii) any subproject that could have a negative impact on IPs will not be eligible for project funding. The IPPF is part of the project's ESMF and operational manual (OM) and describes the principles, objectives, methodology, and content that will guide the preparation of specific Indigenous Peoples' Plans (IPP), when required.</p> <p>The advanced draft of the IPPF was disclosed after Bank approval for consultation. Consultation was conducted with the Indigenous Participation Council (Consejo de Participación Indígena, CPI) of the Province of Buenos Aires, as it has already developed a well-developed integrated agriculture sector risk management plan. The main questions from the CPI focused on the kind of subprojects that could be financed and the provincial referents to be</p> |



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| | | <p>contacted if IP Communities had ideas or questions regarding subprojects. The answers to those questions were incorporated in the final IPPF. DGPPSE also shared the document with the Provincial Council for Indigenous Affairs (CPAI) of Buenos Aires, the competent provincial government agency, and minor changes were introduced in the IPPF to include the intervention of CPAI in subprojects that affect IPs in the province. DGPPSE also shared the document with the National Institute for Indigenous Affairs (INAI), which did not have comments and agreed on presenting the IPPF to the National Coordination Committee of the CPI in their next meeting, the date of which remains to be confirmed as of March 23, 2018. After the respective Bank approval of the consulted and revised IPPF, both DGPPSE and the Bank disclosed it on February 5, 2018.</p> <p>As other provinces join the project, they will have to consult the IPPF with the corresponding CPIs to validate the consultation methodology and/or incorporate modifications as needed. Broad support for each subproject will be obtained through consultation on the IPPs to be prepared as pertinent. The project triggers OP 4.12 on Involuntary Resettlement since it includes infrastructure works e.g. on irrigation systems that may imply either physical or economic displacement of people and/or business in the project area. Subsequently, supported by the Bank, SEU/DGPPSE prepared an advanced draft Resettlement Policy Framework (RPF) and, after the respective Bank approval, the draft was disclosed by DGPPSE on December 18 and at the Bank external website on December 20, 2017 for consultation. Thereafter, the draft RPF was completed to reflect the consultation process that did not cause any adjustment in its substance. After the respective Bank approval, both DGPPSE and the Bank disclosed the final RPF on February 5, 2018. The RPF will guide the preparation of specific Resettlement Action Plans (RAP), when required. The RPF is part of the project's ESMF and OM.</p> |
| Involuntary Resettlement OP/BP 4.12 | Yes | |
| Safety of Dams OP/BP 4.37 | Yes | The project will not finance building of any large dam. However, OP/BP 4.37 is triggered as it is |



possible that a project-related irrigation or water supply system relies on performance of an existing dam. The ESMF guides, when needed, the applicable review and evaluation of the operation and maintenance procedures of the relevant existing dam and presentation of the related report by a specialist. Said report will include findings and recommendations for any remedial work or safety measures that, if needed, will have to be undertaken before the start of operations on the relevant subproject.

Similar procedures have been in use and proven satisfactory during the implementation of other Bank-funded projects with UCAR, Unit of Rural Change of MAI, the predecessor of DGPPSE (e.g. Second Provincial Agricultural Development Project, P106684). MAI has signed an agreement with ORSEP, the Argentine Dam Safety Regulatory Agency, which will ensure proper dam safety supervision when needed.

The Project is not expected to finance activities that could adversely affect other riparians, particularly as most of them would be upstream. The project will not finance large dams, and potential irrigation projects are expected to relate with ongoing and/or minor schemes that (i) will not adversely change the quality or quantity of water flows to the other riparians; and (ii) will not be adversely affected by the other riparians' possible water use. However OP/BP 7.50 Projects on International Waterways was triggered for precautionary purposes. The Bank notified the riparian states of Bolivia, Brazil, Chile, Paraguay and Uruguay on December 4, 2017. As requested by Bolivia, information about future subprojects on international waterways will be shared with the affected riparian states. Requirements for further notification by the Borrower during project implementation are included in the ESMF and OM.

OP 7.60 is not triggered as the project will not finance activities in disputed areas as defined in the policy.

Projects on International Waterways
OP/BP 7.50

Yes

Projects in Disputed Areas OP/BP 7.60

No

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT****A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The project will implement an integrated framework for managing agriculture risks through a diverse set of investments. It is expected to have an overall positive socioeconomic and environmental impact as it will promote good environmental practices to improve management of agricultural risks, as well as investments to improve watershed management and promote reforestation. OP/BP 4.01 on Environmental Assessment is triggered as the physical interventions/subprojects under Component 2 could have negative environmental impacts, such as soil degradation/erosion and/or contamination by agrochemicals, in case related risks were not properly managed. In terms of environmental risk rating, the project is rated as Category B, taken most project activities are expected to have low to moderate impacts that can be prevented or mitigated. No subproject considered of Category A under the OP/BP 4.01 definition will be eligible for project financing. Negative cumulative impacts are not expected as all activities will be implemented in areas already under agricultural production and due to keen focus on application of good environmental and agricultural practices. The project will encourage financing of activities to avoid and restore land degradation in adjacent watersheds, subject to provincial/inter-regional prioritization regarding the use of the project funds.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
Not applicable due to the framework approach; the actual subproject sites are not known at this stage.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Not applicable due to the type and scale of the project activities.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Given the subprojects under Component 2 will be defined during implementation, the General Directorate of Sectoral and Special Programs and Projects (DGPPSE) of the Ministry of Agroindustry (MAI) has prepared, supported by the Bank, an Environmental and Social Management Framework (ESMF), an Indigenous Peoples' Planning Framework (IPPF), and a Resettlement Policy Framework (RPF). They provide the environmental and social criteria and guidelines for preparing and implementing the regional-level (inter-provincial) agriculture value chain risk strategies and the provincial-level integrated agriculture sector risk management plans, including the concrete investments. They guide identification and adoption of good practices to create environmental and social value added and measures to mitigate negative impacts.

The responsibility for ensuring that all project activities are conducted in compliance with the ESMF will rest with the Social and Environmental Unit (SEU) of DGPPSE. It is comprised of an interdisciplinary team of approximately 10 professionals and has a solid overall and Bank-specific experience. DGPPSE counts with Provincial Implementation Units (UEPs) that (will) include, depending on the case, environmental and social personnel that will support and oversee the subprojects' daily activities to secure their proper management. Following the ESMF procedures, the UEP personnel will be the first to screen and evaluate the subprojects. The SEU, supported by the Bank, will provide them training and guidance as necessary, and the SEU will review the documents to secure adequate quality control and conduct periodic site visits. This responsibility covers also Sub-component 2.3 on matching grants with participation by



banks/financial institutions. The Bank will carry out a review of at least the first subproject proposed for financing from each province.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The project's key stakeholders are farmers' cooperatives/associations and private enterprises engaged in the prioritized agricultural value chains across the country, and municipal, provincial and national governments and institutions, as well as civil society and academia.

During preparation, DGPPSE hold technical meetings, conducted interviews with key actors and presented the project to interested provinces to: (i) know their interests and needs and incorporate their experiences and knowledge; (ii) promote their involvement in the project development; and (iii) consider the relevant institutional skills, resources and needs of the affected and interested actors in the project planning.

Supported by the Bank, SEU completed an advanced draft of the ESMF, IPPF and RPF, which were disclosed by DGPPSE on December 18 and at the Bank external website on December 20, 2017 for consultation until January 15, 2018. They were thereafter completed to reflect the consultations that implied adjustments only in the IPPF. After the final Bank approval, the frameworks were disclosed by DGPPSE and the Bank on February 5, 2018. During project implementation, they will be disclosed by and hardcopies will be available also in the Provincial Implementation Units.

The IPPF was consulted with the Indigenous Participation Council (Consejo de Participación Indígena, CPI) and Provincial Council for Indigenous Affairs (CPAI) of Buenos Aires, the competent provincial government agency, and the National Institute for Indigenous Affairs (INAI). Their feedback was reflected in the final IPPF that will be presented to the National Coordination Committee of the CPI in their next meeting, the date of which remains to be confirmed as of March 23, 2018.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

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| Date of receipt by the Bank 13-Nov-2017 | Date of submission for disclosure 05-Feb-2018 | For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors |
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"In country" Disclosure

Argentina
05-Feb-2018

Comments

This is the disclosure date of the final ESMF after consultations.

Resettlement Action Plan/Framework/Policy Process



Date of receipt by the Bank
24-Nov-2017

Date of submission for disclosure
05-Feb-2018

"In country" Disclosure

Argentina
05-Feb-2018

Comments

This is the disclosure date of the final RPF after consultations.

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank
13-Nov-2017

Date of submission for disclosure
05-Feb-2018

"In country" Disclosure

Argentina
05-Feb-2018

Comments

This is the disclosure date of the final IPPF after consultations.

Pest Management Plan

Was the document disclosed prior to appraisal?

NA

Date of receipt by the Bank

Date of submission for disclosure

"In country" Disclosure

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

N/A

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)****OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

No

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

NA

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes



If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

NA

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

NA

Does the project design include satisfactory measures to overcome these constraints?

NA

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

NA

OP/BP 4.37 - Safety of Dams

Have dam safety plans been prepared?

NA

Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?

NA

Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?

NA

OP 7.50 - Projects on International Waterways

Have the other riparians been notified of the project?

Yes

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?

NA

Has the RVP approved such an exception?

NA

The World Bank Policy on Disclosure of Information



Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

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APPROVAL

| | |
|----------------------|----------------------|
| Task Team Leader(s): | Diego Arias Carballo |
|----------------------|----------------------|

Approved By

| | | |
|---------------------------|-----------------|-------------|
| Safeguards Advisor: | | |
| Practice Manager/Manager: | Preeti S. Ahuja | 05-Apr-2018 |
| Country Director: | Carole Megevand | 05-Apr-2018 |