

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC150

Date ISDS Prepared/Updated: 28-Oct-2011

I. BASIC INFORMATION

A. Basic Project Data

| | | | |
|------------------------------------|--|------------------------------|--------------------------|
| Country: | Argentina | Project ID: | P125804 |
| Project Name: | Adaptation Fund: Increasing Climate Resilience and Enhancing Sustainab | | |
| Task Team Leader: | Marcelo Hector Acerbi | | |
| Estimated Appraisal Date: | 00-undefined-0000 | Estimated Board Date: | 31-Jan-2012 |
| Managing Unit: | LCSEN | Lending Instrument: | Specific Investment Loan |
| Sector: | Agricultural extension and research (25%), Crops (25%), Irrigation and drainage (25%), Animal production (25%) | | |
| Theme: | Climate change (40%), Land administration and management (20%), Water resource management (20%), Vulnerability assessment and monito ring (10%), Environmental policies and institutions (10%) | | |
| Financing (In USD Million) | | | |
| Financing Source | | | Amount |
| Borrower | | | 0.00 |
| Adaptation Fund | | | 4.31 |
| Total | | | 4.31 |
| Environmental Category: | B - Partial Assessment | | |
| Is this a Repeater project? | No | | |

B. Project Objectives

12. The PDO is to reduce climate vulnerability of the agriculture sector in the Southwest of the Buenos Aires Province that suffers from man-made and increasingly climate change induced desertification processes. Participatory planning processes will be used to identify and pilot concrete adaptation measures focusing on water, crops and livestock management to promote climate resilience, and degraded agroecosystems will be enhanced through sustainable land management measures. The primary Project beneficiaries will be farmer associations and families in the counties (partidos) of Pu, Villarino and Patagones.

C. Project Description

The Project will prioritize implementation of production-based adaptation measures in dry land agroecosystems by introducing techniques for climate resilient and sustainable management of natural resources (component 2). These technical interventions will be supported by cross-institutional work aimed at creating an adequate political, social and economic framework to ensure pertinence, adoption and continuity of the adaptation efforts. The other complementary intervention pillars aim at bolstering any adaptation measures identified and chosen through institutional and community-level capacity building. Stakeholder ownership will be promoted through a bottom-up approach and participatory procedures.

The selection criteria for the Project area by the National Secretariat of Environment and Sustainable Development (SAyDS) were informed by four fundamental aspects: a) significant occurrence of the above-mentioned negative impacts of climate variability and change; b) significant weight of these impacts on national sustainable development on a strategically important area of agricultural production; c) existence of a combination of the three major impacts (flooding, drought and desertification); and d) major impacts on the population.

The region targeted by the Project through a mixture of direct interventions and expected indirect impacts, includes the counties (partido, an administrative unit composed of various municipalities) of Guamin Monte Hermoso, Adolfo Alsina, Coronel Suez, Coronel Pringles, Coronel Dorrego, Saavedra, Tornquist, Pu, Coronel Rosales, Bah Blanca, Villarino and Patagones.

The proposed direct intervention area would involve three counties with a predominance of dry land farming located in zones below the 600 mm isohyetal line (dry counties with frequent water deficit) namely: Pu, Villarino and Patagones. They were selected based on the following two criteria: 1) a scattered rural population equal or greater than 10% of their overall population, and 2) frequent occurrence of agricultural emergency in terms of yield and livestock losses.

With an approximate area of six million five hundred thousand (6,500,000) hectares, the Southwest of the Buenos Aires Province has around five hundred fifty thousand (550,000) inhabitants, representing four per cent (4%) of the total provincial population. According to data from the Provincial Directorate of Statistics, farming in the SW of Buenos Aires accounts for an important 28% of the Gross Geographic Product (GGP) of the Province. Further, the SW part comprises 15% of the provincial beef cattle production. It is essentially a cattle rearing zone with agriculture in marginal lands highly vulnerable to wind erosion and droughts. Generally, agricultural risks increase from North to South and from East to West.

The population of the Southwestern Buenos Aires is highly dependent on small and medium-scale agricultural and cattle ranching activities. The zone accounts for approximately 12.3% of all farms in the range of 0-500 hectares in the Province. According to the last National Agricultural

Census (2002), this stratum of family-run subsistence farming corresponds to 62.5% of the 5,000 farming units (explotaciones agropecuarias in Spanish) of the zone.

Component 1: Reducing Institutional and Community-level Vulnerability (US\$ 710,000) aims at improving response and planning capacity of local institutions and communities by means of participatory governance systems through two sub-components:

Sub-component 1.1: Creating Institutional Tools for Climate Resilience will contribute to an on-going effort to create an early warning system for climate change and desertification at the provincial level in cooperation with the relevant technical institutions. Institutional capacity building will be provided to build and sustain these processes. A multi-stakeholder Regional Consultative Observatory on Climate Change and Desertification will be created as an overall coordinating entity to manage the EWS (Early Warning System), map climate risks and vulnerabilities, and generate incentives through a sustainable land management program. The Observatory will be composed of public and private sector representatives, including universities.

Sub-component 1.2: Promoting Climate-smart Socio-cultural Approaches to Land Management will aim at modifying negative patterns of interaction between socio-productive systems and the natural environment through induction and adoption of change in community relations with the natural environment. Socio-cultural barriers are intended to transform into windows of opportunities for transitioning to an adaptive process of change. Local educational institutions and opinion leaders will be engaged together with farmers' families and communities as whole. A teacher training program and training of key social disseminators such as journalists and town councillors aim at inducing motivational change and generalize a comprehensive perspective of the issues at stake to promote success of proposed adaptation measures.

Component 2: Implementing Adaptation Measures in Productive Agroecosystems (US\$ 2,700,000) will be discussed, defined and put in practice jointly with local farmer families and related technical institutions. The main interventions, to be selected and appraised during the Project implementation, will cover small-scale pilot interventions from a menu of options related to management of water resources, crops, livestock and pasture lands. Possible adaptation measures could include decentralized measures to efficiently capture and store rainwater and install microsystems for irrigation; creation of organic vegetable gardens to strengthen food and agroecological diversity and directly raise the standard of living of the local population; crop rotation; organic pest control; adjusted sowing; cover crops; sustainable land tillage; and adaptation of cattle ranching systems through use of forage banks, forest grazing, and sustainable management of pasture plots. Revolving funds are planned to be set up to support community storage of winter forage, seed supply for soil fixation crops, provision of inputs for shelter belts against wind erosion, and small community funds for emergencies (subsistence farming micro insurance). In addition, a program for strengthening value chains is planned to improve access to markets through better products and marketing, and options to facilitate occupational changes within farmer families will be discussed and analyzed during Project preparation. Adequate cost-benefit analysis will be conducted during following Project preparation to ensure that only activities that generate sufficient direct benefits will be undertaken.

Component 3: Applying Participatory Approach to Knowledge Management and Monitoring and Evaluation (US\$ 92,100) will build upon an overall participatory approach through two sub-components:

Sub-component 3.1: Creating a Knowledge Management Strategy will develop a program for public awareness and gender-sensitive adaptation strategies. Workshops in the direct intervention counties will be organized to develop and validate interventions and work plans. Capacity will be built for development of knowledge systems that promote continuous improvement and adaptive management. Training will be offered for local groups that will carry out KM tasks, and mutual knowledge sharing between and beyond the three key counties will be promoted. A specific KM strategy will be prepared identify specific means to involve different stakeholder groups, and joint demonstrative field visits organized to promote dialogue. At the Project end, events will be organized to disseminate best practices and lessons learnt at different administrative levels, including relevant international forums.

Sub-component 3.2: Creating a Participatory M&E System aims at developing progress information through participatory processes and providing periodic reports to make Project information available to all stakeholders. Local capacity will be built for indicator development and measurement to facilitate participatory monitoring and control of the processes and impact evaluation. At the Project end, local workshops will be organized for participatory results evaluation. Development of continuous improvement measures will be strongly linked to the Sustainability/Exit Strategy under component 4.

Component 4: Developing a Sustainability/Exit Strategy (US\$ 115,500) includes generation of necessary institutional and community level agreements for the measures to be sustained beyond Project closure. It is necessary to create a policy framework taking into account both regulatory and material needs that contribute to continuation of key activities by relevant stakeholders, and a commitment to demonstrable dissemination of experience and lessons. Continued financing for successful initiatives will be sought through institutional arrangements that enable linking measures with the Development Plan of the Southwest of the Buenos Aires Province. Local authorities will be provided a compilation of potential sources of financing and a fund raising strategy involving private and public sectors.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The region targeted by the project through a mixture of direct interventions and expected indirect impacts, includes the counties (partido, an administrative unit composed by various municipalities) of Guamin Monte Hermoso, Adolfo Alsina, Coronel Suez, Coronel Pringles, Coronel Dorrego, Saavedra, Tornquist, Pu, Coronel Rosales, Bah Blanca, Villarino and Patagones. The proposed direct intervention area would involve three counties with a predominance of dry farming located in zones below the 600 mm isohyetal line (dry counties with frequent water deficit), Pu, Villarino and Patagones. They were selected based on the following two criteria: 1) a scattered rural population equal or greater than 10% of their overall population, and 2) frequent occurrence of agricultural emergency.

With an approximate area of six million five hundred thousand (6,500,000) hectares, the Southwest of the Buenos Aires Province has around five hundred fifty thousand (550,000) inhabitants, representing four per cent (4%) of the total provincial population. It is to be noted, however, that more than 300,000 of the inhabitants live in the county of Bah Blanca, and more than 275,000 in the City of Bah Blanca.

According to data from the Provincial Directorate of Statistics, farming in the SW of Buenos Aires accounts for an important 28% of the Gross Geographic Product of the Province. Further, the SW part comprises 15% of the beef cattle. It is essentially a cattle rearing zone with agriculture in marginal lands highly vulnerable to wind erosion and droughts, and agricultural risks increase from North to South and from East to West.

The population of the Southwestern Buenos Aires is highly dependent on small and medium-scale agricultural and cattle ranching activities. The

zone accounts for approximately 12.3% of all farms in the range of 0-500 hectares in the Province. According to the last National Agricultural Census (2002), this stratum of family-run subsistence farming corresponds to 62.5% of the 5,000 farming units ("explotaciones agropecuarias" in Spanish) of the zone.

E. Borrowers Institutional Capacity for Safeguard Policies

The main implementing institution, the National Secretariat of Environment and Sustainable Development (SAYDS) is familiar with the Bank safeguards and has the technical and institutional capacity to comply with environmental requirements of the Project. It has a division specifically specialized in environmental impact assessment (EIA), yet so far it has not been involved with the Project preparation. The co-executing agency, the Provincial Sustainable Development Agency (OPDS) is the agency in charge of EIA compliance in the Province of Buenos Aires. It has no previous experience with Bank standards. However, it has a set of protocols for EA which are partly comparable to the Bank safeguard policies. Any gaps deriving from these differences will be solved by using an Environmental and Social Management Framework (ESMF) acceptable to the Bank. The Project will utilize, to the greatest extent possible, the existing human capacity, systems, and procedures with the aim of promoting sustainable capacity building and quality enforcement of administration and management. The technical and supervisory capacity of these institution's executive units will be evaluated during Project preparation. The social and environment risk of the Project is Moderate.

F. Environmental and Social Safeguards Specialists on the Team

Lilian Pedersen (LCSSO)

Tuuli Johanna Bernardini (LCSEN)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

| Safeguard Policies Triggered | Yes | No | TBD | Explanation |
|-------------------------------------|-----|----|-----|--|
| Environmental Assessment OP/BP 4.01 | X | | | <p>The policy is triggered by implementation of adaptation measures through interventions in productive agroecosystems which will be discussed, defined and put in practice jointly with local farmer families and related technical institutions during the Grant implementation period (component 3). Given there is previous positive experience on the proposed base interventions from around the world, and the fact that no particularly sensitive environmental conditions are known to prevail in the target area, the Project is classified as a Category B. The main intervention areas will cover management of water resources, crops, and livestock and pasture management. For example, production oriented adaptation is expected to include decentralized measures to efficiently capture and storage rainwater and install microsystems for irrigation. To strengthen food and agroecological diversity and directly raise the standard of living of the local population, creation of organic vegetable gardens will provide multiple benefits beyond increased climate resilience at family level. Further adaptation measures proposed for transitioning from the current situation to more climate resilient and sustainable land management approach are crop rotation, organic pest control, adjusted sowing, cover crops, sustainable land tillage, adaptation of cattle ranching systems through use of forage banks, forest grazing, and sustainable management of pasture plots. The principal adaptation measures included in the Project proposal are: (i) rainwater harvesting and improved irrigation technology, (ii) enhanced crop management, (iii) Rangeland and forage management, (iv) silvopastoral livestock production, and (v) sustainable land management and erosion control</p> <p>The proposed sustainable land management interventions will include training and capacity activities. As many of these interventions could be new to project beneficiaries there may be some initial resistance to adopting non-traditional, therefore a strong knowledge sharing and training program will be develop as an important aspect of this project.</p> |
| Natural Habitats OP/BP 4.04 | | | X | <p>At this stage, it is not possible to determine presence of natural habitats in the Project's area of influence. Presence of natural habitats will be determined before the QER. Additionally it will be evaluated if the project will result in any expansion of the agricultural frontier or conversion of natural habits to agricultural which may result in adverse impacts to natural habitats. If so, mitigation measures to avoid such impacts will be included in the ESMF before the QER.</p> |
| Forests OP/BP 4.36 | X | | | <p>The policy is triggered because the Project could finance small forest plantations to built shelter belts and wind backers). In addition, and in some cases, the project could finance some management plans at farm level to ensure compliance with the native forest law at the provincial level. This law includes the identification of forests with critical conservation value. As per the requirements of OP 4.36,</p> |

| Safeguard Policies Triggered | Yes | No | TBD | Explanation |
|--|-----|----|-----|---|
| | | | | <p>small and restricted pilot forest plantations (shelter belts, forestall wind-breakers) supported under the Project would not cause loss or degradation of these forests, but would rather contribute to their reforestation and conservation efforts, including the planting of trees native to the region.</p> <p>The target area is situated in the Argentine Espinal ecoregion, which characteristic feature is thorny deciduous shrub land forest. This ecoregion has been heavily modified as most of it has been used for agriculture and its forests have been highly exploited and dismantled. Both the caldenal and the talares types of sparse xerophytic forests have been exploited by removal of firewood. The cald trees have also been used to obtain fence posts, make wooden paving blocks for streets and to operate sawmills for making parquet floors. Furthermore, they have become seriously threatened by the expansion of the agricultural frontier that, thanks to modern irrigation systems, is now reaching areas that in the past were not suited for this type of land management.</p> |
| Pest Management OP 4.09 | X | | | <p>This Project seeks to reduce use of and dependence on harmful agricultural chemicals and will not increase or promote use of pesticides, so a pest management plan will not be prepared. It should be noted, however, that small amounts of pesticides will probably continue to be used by a portion of pilot farmers. The Project will provide training on the proper use of pesticides and the safe disposal of containers by communities to prevent any health and environmental risks associated with pesticide use. This disposal will follow the Bank OP 4.09 guidelines as well as pertinent national laws and regulations. Also an Integrated Pest Management approach to dealing with pests will be supported.</p> <p>A pest management framework will be prepared and applied and will greatly benefit the proposed Project to support technical assistance for the adoption of proven, economically and environmentally sustainable Integrated Pest Management (IPM) practices, an approach designed to increase farm productivity (yields) while reducing input costs, human health risks, and/or adverse environmental impacts through the virtual elimination of pesticide use.</p> |
| Physical Cultural Resources OP/BP 4.11 | | | X | At this stage, it is not possible to determine the presence of physical cultural resources in the Project's area of influence. Presence of physical cultural resources will be determined before the QER. The team will include in the ESMF, screening criteria to avoid any known areas to have physical resources and a process to address any chance finds which may arise during implementation. |
| Indigenous Peoples OP/BP 4.10 | | | X | There is no certainty regarding indigenous people living in the Project's area of influence. As the Project preparation proceeds, it will be determined whether there are indigenous people living in the area, and the Project's potential effects will be assessed accordingly. A Social Assessment will be conducted prior to QER to determine if any Indigenous Peoples are present in the Project area and if so how they are either positively or negatively affected by this proposed Project. |
| Involuntary Resettlement OP/BP 4.12 | X | | | Although no involuntary resettlement is planned under any of the components, activities under component 2 could trigger the policy. In compliance with the policy, in order to avoid, minimize or compensate for any adverse impacts in this regard, Resettlement Policy Framework will be developed to ensure proper consideration before and during execution of pilot interventions. Additionally, all work toward pilot interventions will include participatory planning processes with stakeholders. |
| Safety of Dams OP/BP 4.37 | X | | | Although construction of and/or dependency on a planned/existing dam is not envisaged, the policy is triggered in order to ensure compliance with safety standards in case that small water reservoirs or micro irrigation systems are constructed. The ESMF will include the basic safety requirements for such works in line of the policy. |
| Projects on International Waterways OP/BP 7.50 | | X | | The Project does not involve international waters. |
| Projects in Disputed Areas OP/BP 7.60 | | X | | The Project does not involve disputed areas. |

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 29-Feb-2012

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 02/28/2011

For projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

The Project appraisal is estimated to take place in March 2012.

IV. APPROVALS

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| <i>Signed and submitted by:</i> | | |
| Task Team Leader: | Name: Marcelo Hector Acerbi | Date: 28-Oct-2011 |
| <i>Approved By:</i> | | |
| Regional Safeguards Coordinator: | Name: Francis V. Fragano (RSA) | Date: 11-Nov-2011 |
| Comments: | | |
| Sector Manager: | Name: Karin Erika Kemper (SM) | Date: 10-Nov-2011 |
| Comments: | | |