

Subsequent Draft

PROPOSAL FOR REVIEW

Project Title:	Argentina: Biodiversity Conservation Project
GEF Focal Area:	Biodiversity
Country Eligibility:	Convention ratified November 22, 1994
Total Project Costs:	US\$47.6 million
GEF Financing:	US\$10.1 million
Counterpart Financing:	US\$18.0 million
IBRD Loan:	US\$19.5 million
Associated IBRD Project:	Native Forests and Protected Areas Project
GEF Implementing Agency:	World Bank
Local Counterpart Agency:	National Parks Administration (APN) and the Secretariat of Natural Resources and the Sustainable Development (SRNyDS)
Estimated Starting Date:	December 1997
Project Duration:	Five years
GEF Preparation Costs:	US\$289,000 (PDF Block B Grant)

ARGENTINA: BIODIVERSITY CONSERVATION PROJECT

COUNTRY AND SECTOR CONTEXT

Biodiversity Resources of Argentina

1. Mainly because of the extensive latitudinal and altitudinal ranges of the country, and the resulting climatic variability, Argentina contains a broad mix of ecological regions and rich biological diversity. Of the 178 terrestrial ecoregions in Latin America and the Caribbean identified in a recent World Bank/World-Wide Fund for Nature (WWF) study, 18 were found in Argentina. They range from the tropical rain forests of Misiones Province to the cold and arid Patagonian steppes of southern Argentina. While most are shared with adjacent countries, several are exclusive to Argentina, including most notably the Espinal, the Monte, the Pampas, and the Córdoba Montane Savannas (*Chaco Serrano*). Predictably, this diversity in ecoregions supports a large number of species of flora and fauna. For example, with a total land area of 2.7 million km² (two percent of the world's land surface), Argentina accounts for 12.2 percent of the world's gymnosperm species, 12.3 percent of the world's mushroom species, 10.9 percent of birds, and 8.7 percent of mammals. The country is particularly rich in endemic species; more than 2,500 vascular plant species, 32 amphibian species, 53 reptile species, and 46 mammal species are found nowhere else.

2. Argentina has long recognized the importance of these biological resources. It was the first country in Latin America to create a national system of parks, whose origin dates back to 1903 with the donation of some 7,500 ha of private land to the State. This initial holding was subsequently enlarged and became the Nahuel Huapí National Park, the nation's first national park which was created together with the National Parks Commission in 1934. Other important milestones leading to the present national parks system include the establishment of the country's other major southern parks—Lanín, Los Alerces, Perito Moreno, and Los Glaciares in 1937; the creation of the national school for park rangers in 1967; and the development of a national protected areas system (NPAS) in 1986. Today, the country's protected area system has grown to cover some 4.9 percent of the national territory (about 13 million hectares). Of this total, some 22 percent is in the federal park system, which currently consists of 30 national protected areas, while the remaining area is under provincial or other forms of local control.

3. In addition to their importance for biodiversity conservation, Argentina's national park system also represents an important economic resource. Several of the country's national parks and reserves are major tourist attractions and are significant sources of revenue. Similarly, the area of native forests with commercial potential is estimated to cover some 15 million hectares, and produces about 7.3 million m³ of wood per annum, equal to about half of the country's production.

Current Challenges to Biodiversity Conservation

4. Notwithstanding the global significance of the country's biological resources, their irrational use and over-exploitation continues at a disturbing rate. In the last century alone, it has been estimated that Argentina has lost more than two thirds of its original forest cover. Deforestation continues unabated; the existing loss rate is estimated to be 160,000 hectares per year. Forest ecoregions particularly at risk are the Dry Chaco and the Yungas (these two forest types account for more than half of the current deforestation in Argentina). The loss of non-forested habitat is also significant. This is particularly true in the Pampas ecoregion, where conversion to agricultural land has reduced this once vast area to only one percent of its original extent. Similarly, it is estimated that more than one-third of the Patagonian Steppe is severely eroded, attributable primarily to overgrazing by sheep and cattle, an issue of increasing concern in many of the country's other open habitats. At the species level, available information appears to support a similar pattern of irreversible loss. For example, in a recent comprehensive study on the country's endangered species, 22 percent of Argentina's 2,355 vertebrate species were considered threatened or endangered.

5. While the existing system of protected areas is extensive in comparison to many other countries in the Latin America region, a recent National Parks Administration (APN) analysis estimated that less than 21 percent of the total area under protection is acceptably managed, 30 percent is under some form of management, and almost 50 percent (mostly under the jurisdiction of provincial or municipal authorities) receives very little or no management support whatsoever. Moreover, the existing NPAS does not equitably represent many of the country's ecoregions considered to be of international significance in terms of their biodiversity. Examples of poorly represented ecoregions are the Pampas (0.2 percent of the original extent of the ecoregion is currently protected within the NPAS) and the Chaco (0.5 percent protected).

Government Commitment to Protecting Biodiversity

6. The Government of Argentina (GOA) has long demonstrated a commitment to protecting biodiversity. For example, the country is a signatory to a host of international conventions, including the Agreement on Wetlands of International Importance (RAMSAR, 1971); the Convention on International Trade in Endangered Species (CITES, 1973); the Convention for Conservation of Migratory Species (1979); and the Convention on Biological Diversity (1992). More recently, Argentina hosted the Third Meeting of the Conference of the Parties to the Convention on Biological Diversity in November 1996. In 1994 GOA began initial consultations with technical specialists within and outside government agencies to determine priorities for a national biodiversity strategy and a national protected area network. In April 1996 GOA was granted a UNDP-administered GEF grant to finalize the national biodiversity strategy, including a process of full consultation and participation of all stakeholders. Key elements of the strategy have already been identified and will be more fully elaborated as part of the enabling activity: they include strengthening and extending the protected area system; increasing national and local capacity in natural resource

management, both in forested and non-forested areas; and promoting greater public participation in natural resource management.

7. Notwithstanding this commitment to biodiversity conservation, Argentina faces a number of constraints in addressing the conservation challenge. In particular, the difficult economic situation of the country has severely restricted government resources available for new investments in protected areas. Efficient management of the country's natural resources is also hampered by poor coordination between different levels of government, deficiencies in the policy and legal framework, and lack of technical expertise and established mechanisms for public participation and consultation. For example, in the forestry sector, with an estimated area of commercial potential of 15 million hectares, the country lacks a national inventory, an assessment of threats, and a policy framework based on recognized principles of sustainable forestry management. Recognizing these strengths and weaknesses, the Government has proposed an integrated program which is composed of an IBRD-financed Native Forests and Protected Areas Project and a Global Environmental Facility (GEF)-financed Biodiversity Conservation Project.

8. At the provincial level, there appears to be a similar interest in biodiversity conservation, particularly in those provinces that have elected to participate in the proposed GEF project. This is perhaps best illustrated by the willingness of the provinces to cede land to the nation for the creation of "core" national parks proposed under the project. Some of these same provinces have also indicated their willingness to create provincial reserves adjacent to and associated with the proposed parks.

9. In summary, Argentina is fortunate to have a number of ecological regions that, in terms of biological diversity, are considered to be of international importance. At present, many of these ecoregions and habitats are poorly represented in conservation areas regionally as well as in Argentina's existing national protected area system. In some cases the last remaining blocks of natural habitat within these ecological regions are at risk because of existing or potential threats. The GOA is committed to developing a more representative system of national parks that will protect areas of regional and global as well as national biodiversity significance. Given the current economic situation, GOA is able to commit resources, including an IBRD loan, only towards support of investments in those areas that are likely to generate immediate economic returns.

10. Through the proposed project, the GOA is requesting additional assistance from the GEF to cover the incremental costs associated with the creation and management of several priority protected areas which will bring long-term protection to parts of threatened and poorly represented ecoregions of global importance.

PROJECT OBJECTIVES AND DESCRIPTION

11. The integrated program, which comprises the IBRD-financed Native Forests and Protected Areas Project (NFPA) and the proposed GEF-financed Biodiversity Conservation Project (i.e., the IBRD/GEF Program) represent a major commitment to support the GOA's strategy for conserving and promoting sustainable use of the country's native forests and

other important natural habitats. The shared goals of this IBRD/GEF program are to: (a) strengthen the management and sustainability of the Argentine protected areas system; (b) improve the management and conservation of native forests; and (c) conserve and protect biodiversity. These goals translate into the following specific objectives:

- To help SRNyDS prioritize its proposed actions to deal with native forests and facilitate the development of an incentive and regulatory framework which would encourage decision makers, both public and private, to more fully internalize all social costs and benefits within their decision-making processes and actions affecting native forests; and
- To strengthen biodiversity protection nationally, including protected areas of global importance, through investments in institutional strengthening, refined mechanisms of consultation and participation, and improved biodiversity information management.
- To develop a plan for transforming APN into a world-class park management organization and increase the environmentally sustainable level of tourism in selected national parks;

12. To achieve these objectives, the IBRD/GEF program would have five components.

- **Protected Areas with Clear National Benefits** (US\$12.4 million including contingencies) would include: (a) the development of a plan for the modernization of APN; and (b) support for specific infrastructure development and capacity building, including training, in four selected parks in Patagonia (Lanín, Nahuel Huapí, Los Alerces, and Los Glaciares); these parks have sufficient tourism potential to be fully self-supporting financially;
- **Generation and Dissemination of Research and Information** (US\$15.1 million including contingencies) would include: (a) the preparation of draft legislation for reforming the policy, legal, and regulatory framework affecting native forests at both federal and provincial levels; (b) the implementation of a national inventory of native forests and establishment and operation of a related database; and (c) applied research and studies to facilitate the improved management and conservation of native forests and protected areas;
- **Additional Protected Areas of Global Importance** (US\$16.4 million including contingencies), would include: (a) establishment and consolidation of protected areas; (b) buffer zone biodiversity conservation activities; and (c) implementation of a participation plan and training; *GEF funding of almost US \$9 million is proposed to cover the incremental costs of these activities;*
- **Biodiversity Information Management** (US\$0.7 million including contingencies), would involve the creation of an internet-based biodiversity network to ensure global accessibility to Argentina biodiversity information;

GEF funding of US\$ 0.5 million is proposed to cover the incremental costs of these activities; and

- **Management, Monitoring and Evaluation** (US\$3.1 million) would include: (a) project implementation; (b) monitoring and evaluation; and (c) capacity building; *GEF funding of about US\$ 0.6 million is proposed to cover the incremental costs of these activities .*

13. The IBRD/GEF program would be implemented in three phases: The **first phase** would last about one year and focus on capacity building to create the necessary conditions for effective project implementation. It would include support for: (a) technical assistance to implementing agencies (IBRD funds); (b) studies needed to design a plan for modernizing APN (IBRD funds); (c) park management training and development of management plans (IBRD funds); (d) activities to reform the policy and regulatory framework affecting native forests (IBRD funds); (e) Phase I of the native forests inventory (IBRD funds); and (f) preparation of the biodiversity conservation components and of the public participation plan (PDF funds).

14. The **second phase**, expected to require an additional year, would: (a) initiate the implementation of the investment and capacity building program for the four selected national parks to receive support from the IBRD loan (Lanín, Nahuel Huapí, Los Alerces, and Los Glaciares); and (b) implement the public participation plan and finalize operational plans for the additional protected areas of global interest, which would receive support from the GEF.

15. The **third phase**, expected to last about 3 - 4 years, would: (a) continue the implementation of the investment program for the four aforementioned national parks (IBRD funds); (b) initiate the implementation of the investment and training program in the additional protected areas of global importance (GEF funds); (c) establish the proposed biodiversity network (GEF funds); (d) carry out Phase II of the inventory of native forests from which information on the geographic distribution of native forests within Argentina would be generated and disseminated (IBRD funds); and (e) develop policy options for government and private sector initiatives in support of sustainable forest management (IBRD funds).

Detailed Description of the GEF Biodiversity Conservation Project (BCP)

16. The BCP would comprise three components: (a) Additional Protected Areas of Global Importance; (b) Biodiversity Information Management; and (c) Management, Monitoring and Evaluation. These proposed components, which are described in detail below, will be refined further during final project preparation.

Additional Protected Areas of Global Importance Component (US\$16.4 million)

17. As noted previously, although Argentina's network of protected areas is extensive, it does not equitably represent many of the country's ecological systems. Some of the ecoregions poorly represented in the National Protected Areas System (NPAS) are

considered to be of global significance in terms of biological diversity. The primary objective of the project is to expand and diversify the existing NPAS to include several of the country's most regionally significant but inadequately protected ecoregions, and create the conditions for their sustainable management. The selection of candidate areas proposed for inclusion under the project was based on the following criteria: (a) their global importance for biodiversity conservation; (b) the degree of threat to the ecoregion; and (c) a complex of factors related to investment feasibility (e.g., provincial interest, cost of land purchase, support of local communities, and other institutional considerations). This component would consist of three sub-components: (a) the establishment and consolidation of new protected areas in sites of global biodiversity importance; (b) buffer zone biodiversity activities; and (c) participation and training.

18. Establishment and Consolidation of Protected Areas (US\$13.8 million). Under this activity, five additional national and/or provincial protected areas of recognized global importance for biodiversity have been identified for possible support under the project. The feasibility and timing of inclusion of these proposed areas will be carefully studied during project preparation. These proposed areas, which are currently designated provincial protected areas in name only (i.e., there is no physical demarcation or effective protection in place) are: (a) *Parque Nacional Los Venados* (this area, in San Luis Province, is the largest remaining remnant of relatively intact Pampas); (b) *Reserva de la Biósfera San Guillermo* (in San Juan Province, the southernmost extension of the Andean Puna); (c) *Parque Nacional Copo* (in Santiago del Estero Province, one of the last pristine areas of Semiarid Chaco in Argentina); (d) *Parque Nacional Condorito* (in Córdoba Province, an area including Semiarid Chaco habitat as well as part of the Córdoba Montane Savannas, an ecoregion endemic to Argentina); and (e) *Parque Monte Leon* (in Santa Cruz Province, an area of Patagonian Steppe and littoral and wetland habitat). The special characteristics of these proposed areas are summarized in the matrix at the end of this document.

19. The project would finance: (a) technical assistance for boundary demarcation, drafting of legal documents, preparation and implementation of operational plans, implementation of environmental assessments and other specialized studies and activities associated with the establishment and management of these areas; (b) equipment; (c) small works; and (d) compensation costs for private landowners and their laborers. Works to be financed under the project would include the construction of observation points, interpretive trails, fencing, administrative offices and park ranger residences, and road repair. In most cases, provincial and/or national reserves associated with the "core" national parks will also be created. *GEF support of US\$7.3 million is proposed to finance incremental costs of this sub-component.* GOA would provide counterpart funding of about US\$6.5 million, most of which would be for the purchase of land and compensation costs.

20. Buffer Zone Biodiversity Activities (US\$1.7 million). This sub-component would finance a variety of small activities (e.g., the testing of improved land management models, the development of agroforestry, wildlife, and range management models, the implementation of complementary biodiversity studies, etc.) that would contribute directly to the sustainable use and conservation of biodiversity in the buffer zones of the parks established under the project. This component would also support awareness activities aimed at local

communities living in and around the parks, thereby helping to build local knowledge of, and support for, the parks themselves. Funding allocation under this sub-component would be made on a competitive basis to NGOs, universities, and government agencies (other than APN) working in collaboration with local landowners. *GEF funding of US\$1.1 million is proposed to cover the incremental costs of this sub-component.* GOA and beneficiaries would provide counterpart funding of about US\$0.6 million.

21. Participation and Training (US\$0.9 million). As an essential part of project preparation, an extensive stakeholder participation and consultation process has been initiated with representatives of federal and provincial institutions, NGOs, local farmer/ peoples' organizations, and universities. This sub-component would play a central role to ensure the broadest possible public participation in the creation and protection of each protected area. This would be done through the implementation of a participation plan that would support: (a) the establishment of the necessary institutional mechanisms to facilitate community involvement in protecting the globally important biodiversity of the national parks and associated reserves; (b) financing technical assistance to ensure implementation of the participation plan; and (c) training related to consultation and participation of stakeholders in the newly created national parks, training for conflict resolution, as well as the specific park management skills needed to ensure adequate protection of biodiversity. *GEF funding of about US\$0.7 million is proposed to cover the incremental costs of this sub-component.*

Biodiversity Information Management Component (US\$0.7 million)

22. The ability to access and exchange information on Argentina's globally important biodiversity resources is an essential tool for their effective management and protection. The objective of this component is to provide decision makers, national as well as international, with ready access to relevant information for making informed decisions relating to biodiversity conservation and sustainable use. This would be achieved by putting into place an internet-based biodiversity network to ensure national and global accessibility to Argentine biodiversity information. An IDB-supported Environmental Institutional Development Program is currently supporting the creation in Argentina of an internet-based environmental information network. It has been proposed that this component support the development of a biodiversity network, within the context of the overall national information system. This component, therefore, would finance the development of a prototype node within APN and provide the training and standards needed to extend the network nationally and internationally, as well as to ensure that it is full incorporated into the National Environmental Information System. The project would finance system development, limited hardware acquisition, and reconfiguration of existing databases (APN and other major databases). A major thrust of the component is a training sub-component to ensure the sustainability of the first node within this emerging network and thus the sustainability of a freer flow of biodiversity information nationally and internationally. The sub-components are: (a) promote the Biodiversity Conservation Project Information System (BCP-IS) at the national level; (b) develop the BCP-IS software; (c) adaptation of major existing data bases to the BCP-IS; and (d) ensure sustainability through capacity building and training. The development of this biodiversity network will be closely coordinated with the data bases being structured and created under the IBRD-supported project (i.e., database on native

forests). *GEF support of US\$520,000 is proposed to finance the incremental costs of this sub-component.*

Management, Monitoring, and Evaluation Component (US\$0.6 million)

23. This component would finance technical assistance, training, equipment and incremental operational costs to strengthen the capacity of the implementing agencies (APN and other Argentinean institutions) to manage the GEF supported activities. It would also support scientifically sound monitoring and evaluation of biodiversity impacts at the additional globally significant sites. The monitoring and evaluation plan will include the monitoring of key indicator species, building on the ongoing work of the scientific community where possible. *GEF support of US\$550,000 is proposed to finance these incremental costs which are directly related to conservation of biodiversity resources of global importance.*

PROJECT COSTS AND FINANCING

24. The total IBRD/GEF program cost is estimated at US\$47.6 million equivalent. The incremental cost of generating global benefits associated with the GEF project is estimated at about US\$10.1 million, based on the difference between the estimated totals of the Baseline Scenario and the GEF alternative. The proposed financing plan of the IBRD/GEF program would therefore comprise: an IBRD loan of US\$19.5 million to finance the Native Forests and Protected Areas Project (NFPA); a GEF grant of US\$10.1 million to finance the incremental costs of activities that contribute to the achievement of global biodiversity objectives (BCP); and about US\$18 million in counterpart funds or in-kind contribution provided by GOA and beneficiaries for the combined NFPA/BCP program. A detailed cost table and financing plan is attached at the end of this proposal. The incremental cost analysis and justification for the GEF grant are provided in Annex 1.

INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

25. At the national level, the IBRD/GEF program would be implemented by a Project Implementation Unit (PIU), with a sub-unit situated in the APN to specifically assist the managers of APN implement the BCP and to ensure separate accounting of GEF funds.

26. At the level of the protected areas, the project will promote innovative management strategies to ensure cooperation between different stakeholders and institutions. The management structure would place a strong emphasis on institutional collaboration at both the national and provincial levels and would, in particular, encourage strong representation and participation from NGOs, private interests, and other stakeholders often previously unrecognized in the management of Argentina's protected areas. The generic structure of the park-level management units required to achieve the needed institutional collaboration for project success consists of the creation of Consultative Commissions (CCs) in each park. The CCs would facilitate the management of each protected area and provide a formal

mechanism for stakeholders to participate in the planning and decision-making process, reducing the potential for conflict.

27. The management unit located at APN headquarters would be responsible for project monitoring, with support provided by each of the Consultative Commissions. Periodic field assessments have been scheduled and budgeted under the project's Management, Monitoring, and Evaluation Component for each of the protected areas. Performance and impact indicators are being developed and will be included in the final GEF Project Document.

RATIONALE FOR GEF FINANCING

28. The Project supports the first two objectives of the Convention on Biological Diversity, conservation and sustainable use, especially through *in-situ* conservation of biological resources in accordance with Article 8. It is consistent with the GEF Operational Strategy for Biodiversity and with all four GEF Biodiversity Operational Programs. The proposed national parks for GEF assistance would protect: arid and semi-arid ecosystems (the Pampas, the Puna, and the Patagonian Steppes); forest ecosystems (Córdoba montane savannas and the Chaco); mountain ecosystems (the Puna), and coastal, marine, and freshwater ecosystems (Patagonian Steppe and littoral and wetland Patagonian habitats). The areas have been identified as national (and regional) priorities in previous conservation planning exercises and strengthening and extending the protected areas system has been identified as a key element for the Biodiversity Strategy under preparation. The project is consistent with COP guidance on conservation and sustainable use of vulnerable ecosystems and species; capacity building; including human resource development and institutional strengthening; and innovative measures to conserve biodiversity; including government-private partnerships for land management. Better protection of breeding colonies of marine mammals and seabirds at Monte Leon will contribute to global conservation goals for migratory species. The Biodiversity Information Management component will contribute to the Clearing House Mechanism in Argentina. The Argentine GEF focal point endorsement letter is attached as Annex 2.

Links to other GEF Projects

29. The Government of Argentina (represented by APN) has received a UNDP-administered GEF enabling activities grant for the completion of a National Biodiversity Conservation and Sustainable Use Strategy. The Strategy will emphasize policy formulation, application of appropriate economic instruments, environmental education, and the importance of public participation and consensus in developing approaches to the sustainable use of biodiversity. The objectives and approach of the proposed project are compatible with these measures and focus on priority sites identified in early strategy preparation in 1994-95. Because APN would manage the stakeholder consultation process as well as the drafting of the Strategy itself, close coordination between the World Bank-implemented and UNDP-implemented projects will be facilitated. Moreover, efforts will be monitored to ensure full consistency between strategy and actions.

30. The only previous GEF-financed biodiversity project in Argentina was the Patagonia Coastal Zone Management Plan Project, managed by a national NGO, the Fundación Patagonia Natural and administered by UNDP. The objective of this US\$2.8-million technical assistance project, which began in 1993 and was completed in 1996, was to develop a Coastal Zone Management Plan for Patagonia. This was to be achieved through: (i) the provision of resource related scientific data for improved resource management, planning and conservation; (ii) recommendations for policy and regulatory review for productive sector activities; (iii) strengthening of technical and managerial capacities for improved planning, coordination and monitoring of coastal resources use and biodiversity status; and (iv) the establishment of the inter-agency and inter-provincial coordinating management committees needed to implement the proposed management plan. The management plan developed under this Patagonia project explicitly indicated as a priority the need to provide greater protection to the proposed Monte Leon site in Santa Cruz Province.

PARTICIPATION AND SUSTAINABILITY

Participation

31. The project's social assessment and participation process is currently underway. It consists of three phases: (a) an initial identification of potential key stakeholders and social issues associated with protected areas proposed for support under the project (Phase 1); (b) an in-depth, field-based social assessment and participation exercise (Phase 2); and (c) the incorporation of the results into project design and preparation of a participation plan to be implemented over the life of the project (Phase 3).

32. In the recently completed Phase 1 of the social assessment, workshops have been held at each prospective site to discuss the interest and conditions for establishing new protected areas. These workshops, led by APN staff and specialist consultants, have included participation from local NGOs, Provincial authorities, Federal agencies such as the National Institute of Agricultural Research (INTA), universities and local community groups. Also during this first phase, key stakeholders, the nature and magnitude of potential conflicts, possible mitigation measures, and likely mechanisms to facilitate future stakeholder participation were identified for each of the proposed protected areas. These initial findings have provided the basis for the on-going second phase, and will be eventually incorporated into the project's participation strategy. During preparation, it was determined that none of the proposed new protected areas is on lands occupied or claimed by indigenous peoples.

33. Many of the potential conflicts would be resolved through the management structure proposed for each of the protected areas, which includes the creation of Consultative Commissions that would provide a formal mechanism for stakeholders to participate in the planning and decision-making process. In addition, a social assessment coordinator and participation specialist would be contracted on a full-time basis to facilitate the implementation of the recommendations stemming from the project's participation plan. Specifically, the specialist would: (a) facilitate cooperation among different stakeholders and

institutions in project implementation; (b) promote and organize participation workshops and training with different stakeholders at the community level; (c) contract and supervise relevant studies and surveys as required; and (d) advise APN staff (including extension agents and park rangers) on participatory practices.

Sustainability

34. Elements in the proposed project design that would contribute to sustainability over the long term include: (a) the initiative to modernize APN--the key player in protecting the country's national parks-- which will serve to increase that institution's financial sustainability, and hence its ability to provide continued institutional and financial support to the newly created protected areas ; (b) the reform of the policy, legal and regulatory framework that affects native forests, along with the research-generated information supported by the IBRD-financed project, would help to reform the incentive structure that affects biodiversity protection, which would make possible more efficient programs to protect native forests; (c) strengthening of project management capabilities of both SRNyDS and APN; and (d) the initiatives to ensure local participation in all aspects of project design and implementation, which would help to ensure local benefits and hence interest in the success of the proposed activities. Moreover, the GOA has expressed commitment to cover the incremental recurrent cost of project-initiated activities upon completion of GEF support.

LESSONS LEARNED AND TECHNICAL REVIEW

35. The design of the proposed GEF project has been based on GEF-related experience from Argentina and on the larger information base from other relevant projects supported under the GEF Pilot Phase and other related environmental protection projects in Latin America. The only GEF-financed project in Argentina is the previously mentioned Patagonia Coastal Zone Management Plan Project (CZMP). The main lessons derived from the CZMP project include: (a) the need to build on a strong, established organizational base; (b) project preparation and implementation should be carried out to the maximum degree possible through the use of local experts; and (c) the education of decision makers and the population generally on the role of, and need to, conserve natural habitats is vital to develop support for managing protected areas sustainably, particularly where conservation areas overlap private landholdings

36. The key lessons derived from ongoing GEF-funded biodiversity projects in Latin America support the need to: (a) expand the protected areas system to ensure the conservation of representative samples of global biodiversity; (b) facilitate direct biodiversity conservation activities by communities or groups of people who have a vital interest in conservation because their livelihoods depend on biological resources and/or their quality of life depends significantly on use and existence values of biodiversity; (c) establish realistic goals based on the existing capacity of counterpart agencies, avoiding overly complex

projects; (d) decentralize management and implementation responsibility to local government, NGOs, and other competent entities; (e) involve local NGOs and other local stakeholders from the beginning of project design; (f) develop management capacity and establish a project implementation unit as soon as possible to facilitate disbursement; and (g) plan for sufficient supervision time, taking into consideration the complexity of these types of projects.

37. Bank-financed environmental protection projects corroborate these lessons and confirm the need for: (a) the completion of a thorough institutional analysis early in project design; (b) greater emphasis on institutional capacity-building, reducing dependence on the project coordination unit and technical experts and increasing project sustainability; and (c) rational sequencing of project activities. In addition, the importance of focusing on field-level park personnel to improve morale and management effectiveness, has been demonstrated in other projects as a key element of project success.

External Peer Review

38. An expert from the STAP roster reviewed the Initial Executive Project Summary (IEPS) in February 1995 and this revised project brief in October 1996. In the review of the IEPS, the expert generally supported the project, concluding that the concepts of the sub-components were appropriate and technically feasible, and that the project provided an excellent opportunity for GEF investments on behalf of globally significant biodiversity. The expert agreed that the proposed project comprised the necessary elements for a cohesive program for biodiversity conservation. The expert suggested however, that the social and political challenges faced by the project were not adequately identified and assessed in the initial project document, particularly with regard to indigenous peoples' territorial rights and interactions with pre-existing small farmer settlements and private ranches. These concerns are being addressed during project preparation. As recommended by the expert: (a) a social scientist is now part of the project design team to focus on the non-biological aspects of the project; (b) the project would assist the GOA in assessing options for integrating buffer zone residents into park management; (c) the project design would include training for park guards in "people skills" such as conflict resolution, facilitation skills, and public relations; and (d) environmental education on park issues would extend to urban areas as well as to areas in the immediate vicinity of the protected areas. In addition, the network structure for the Biodiversity Information Management System is being designed to facilitate policy decisions related to land use planning, and project funding would allow for possible linkages with major databases outside Argentina in order to expedite identification and exchange of information on a global scale.

39. In the October 1996 review of this revised project brief, the STAP reviewer was satisfied that the earlier comments had been taken into account, that the relationship between the components had been clearly integrated, and that this new document promises a more realistic and feasible project. The reviewer pointed out that the project could in fact be innovative in Argentina by obtaining stakeholders involvement in the sustainable conservation of biodiversity. The 1995 and 1996 comments of the STAP reviewer are attached in Annex 3.

ISSUES, ACTIONS, AND RISKS

40. The major issue faced during project design was the need to move quickly to mobilize resources to protect key areas of biodiversity importance which are under imminent threat from agricultural, mining, and forestry interests. However, unlike some countries in Latin America in which similar GEF investments are being made, country-wide agricultural or settlement policies are not a significant factor in contributing to habitat conversion. Rather, in a country with a relatively long tradition of creating national parks, the issues that need to be addressed are related to financial and institutional constraints on efficient management of many of the country's critical protected areas.

41. Thus, the main actions to be undertaken under the project involve the provision of funds and technical assistance for the establishment and consolidation of new national parks and associated provincial reserves. The attitudes and actions of local stakeholders would determine the long-term sustainability of the protected areas supported under the project, and failure to fully consider stakeholders' interests is a risk. The project's emphasis on consultation and participation with local communities and other stakeholders, an innovative approach for the APN, is expected to significantly reduce this risk.

42. A second major risk relates to the involvement and support of provincial governments. All the areas included in this project were selected in part because of strong provincial support. However, many of the country's provinces have been weak on conservation issues and, at present, most are subject to severe financial constraints. These factors contribute to the risk of reduced provincial support during project implementation. This risk is mitigated by the proposed establishment of a federally-managed national park at the core of each protected area, as well as by the proposed training and buffer zone activities, which would also benefit provincial governments. In some cases, the project would also provide funds for the needs of the associated provincial reserves.

43. A third issue concerns the status of land holdings in the proposed parks. In terms of the World Bank's Operational Directive 4.30 on Involuntary Resettlement, a very small number of individuals may need to be compensated if their property is expropriated in order to be included in the new national parks. Individuals to be compensated (either through voluntary sales or expropriation) include a small number of landowners in the Pastizales Pampeanos of San Luis (all of whom are absentee landowners mostly living in Buenos Aires) and up to 70 individuals on 14 land holdings in the Quebrada Condorito area. During preparation it was determined that APN's standard expropriation procedures provide a fair and just compensation consistent with both the letter and the spirit of the Bank's directive on resettlement. APN's considerable experience with expropriations carried out over the last few years for other parks has been non-controversial and successful. However, final land purchase and compensation procedures will be reviewed at appraisal, and affected sites would be included in the final project design only if appropriate measures (e.g., compensation or provision of alternative livelihoods) are found to be consistent with Bank directives.

44. A park-specific risk associated with the San Guillermo Biosphere Reserve involves existing exploratory mineral rights (*cateos*) in the areas proposed for the provincial reserve and, to a lesser extent, the national park. While those claims associated with the national park will likely be addressed through GOA financial compensation, exploratory claims in the provincial reserve and multiple-use zones will remain active. Any discovery of significant mineral deposits associated with these latter claims could lead to exploitation and, in the absence of required mitigation measures, result in a threat to the ecological integrity of the proposed protected area. During subsequent project preparation, a revision of the proposed protected area categories, boundary definition, permitted uses, and environmental assessment procedures will be completed to ensure that necessary measures are in place to ensure the ecological integrity of the biosphere reserve.

45. Finally, there are some general risks which remain to be addressed during project preparation. These include: (a) bureaucratic requirements and resulting delays inherent to the political and legal process leading to park creation in Argentina; and (b) completion of the land acquisition process. These issues will be addressed during the remaining months of project preparation in order to ensure timely project implementation following project approval.

ARGENTINA

**NATIVE FORESTS AND PROTECTED AREAS/BIODIVERSITY CONSERVATION
PROJECT**

Table 1. Total Project Costs (US\$ 000)

Component/Activity	A IBRD	B GOA	C Benefi- ciaries	D GEF	E TOTAL
A. Protected Areas (of National Benefit)					
1. Modernization of APN	805				805
2. Investments in APN Parks	7,872	3,697			11,569
Subtotal	8,677	3697			12,374
B. Research & Information					
1. Policy/Legal Reform	801	217			1,018
2. Forest Inventory and Database Mgmt.	4,790	3,668			8,458
3. Applied Research and Studies	3,402	2,236			5,638
Subtotal	8,993	6,121			15,114
C. Additional Protected Areas (of Global Importance)					
1. Establishment and Consolidation		6,502		7,250	13,752
2. Buffer Zone Subprojects		250	363	1,087	1,700
3. Participation and Training		204		700	904
Subtotal		6,956	363	9,037	16,356
D. Biodiversity Information Mgmt.		140		520	660
E. Management, Monitoring, and Evaluation	1,830	716		550	3,096
TOTAL	19,500	17,630	363	10,107	47,600

Sites Chosen for Inclusion in GEF Project

Name of Site	Ecoregion ¹	Size	Outstanding Features	Justification	Current Status
Los Venados (province of San Luis)	Pampas (<i>Pampa</i>)	30,000 ha (nat. park) + approx. 100,000 ha (nat. reserve, private reserve and other management categories)	Largest remaining relatively pristine area of Pampas; largest of only two extant populations of the Pampas Deer	Would be first significant protected area in Pampas (which is 99% converted); threatened by agricultural practices	Currently not protected; negotiations underway with province; good support locally and from landowners
Copo (Santiago del Estero)	Chaco Savannas (<i>Chaco Occidental</i>)	114,000 ha (nat. park) + 85,000 ha (nat. reserve)	Largest remaining area of pristine dry Chaco in Argentina; viable populations of threatened mammals (Jaguar, Giant Anteater, Giant Armadillo), etc.	Only 10,000 ha of Chaco is currently protected in Argentina; this site would be the largest and most viable protected area in the Argentine Chaco	Currently a provincial reserve but no effective protection; negotiations underway with province
San Guillermo Biosphere Reserve (San Juan)	Central Andean Puna (<i>Puna and Altoandino</i>)	170,000 ha (nat. park) + 690,000 ha (prov. reserve)	Southernmost extension of the Puna and one of most pristine outstanding populations of camelids (<i>vicuñas</i> and <i>guanacos</i>)	Protected only on paper with increasing threats from mining and grazing	Presently a provincial reserve and a biosphere reserve; negotiations advanced with province
Quebrada Condorito (Córdoba)	Córdoba Montane Savannas (<i>Chaco Serrano</i>)	37,000 ha (nat. park) + 146,000 ha (nat. reserve)	Isolated massifs of this ecoregion high in endemism; only extra-Andean population of condors	Currently no protected area in this ecoregion; threatened by grazing and development pressures	Provincial law ceding land to the federal govt. already approved; land purchase and federal law pending
Monte León (Santa Cruz)	Patagonian Steppe (<i>Estepa Patagonica</i> and <i>Litoral Atlántico</i>)	7,000 ha (nat. park) + large marine area as national reserve	Pristine area of Patagonian Steppe and littoral/wetland complex with outstanding populations of breeding seabirds and pinnipeds	No steppe areas currently protected as national park; bird and pinniped populations of global significance	Not currently protected; negotiations underway with province

1. English name of ecoregion is from World Bank/WWF report on terrestrial ecoregions of Latin America and the Caribbean (Dinerstein *et al.*, 1995). Spanish name is from a recent APN map of natural regions of Argentina.

ARGENTINA
NATIVE FORESTS AND PROTECTED AREAS/BIODIVERSITY CONSERVATION
PROJECT
INCREMENTAL COSTS AND GLOBAL ENVIRONMENTAL BENEFITS

Context and Broad Development Goals

1. Over-exploitation of Argentina's biological resources is proceeding at an alarming rate. In the last century, it is estimated that Argentina has lost more than two thirds of its original forest cover; the existing loss rate is estimated at 160,000 hectares per year. The loss of non-forested habitat is also significant, due to land conversion for agricultural purposes; in addition, erosion in some areas is increasing, attributable primarily to overgrazing by sheep and cattle. While the existing system of protected areas is extensive in comparison to other countries in Latin America, a recent National Parks Administration (APN) analysis estimated that less than 21 percent of the total area under protection is acceptably managed. Moreover, the existing National Protected Areas System (NPAS) does not equitably represent many of the country's ecoregions considered to be of international significance in terms of their biodiversity.
2. The GOA recognizes the importance of the country's biological endowment and the need to conserve and use these natural resources in a sustainable manner. To assist GOA evaluate development options and priorities, APN, in collaboration with other public sector agencies, the academic community, NGOs, and the private sector, is in the process of formulating a national biodiversity strategy with UNDP/GEF support. Although the details of the strategy remain to be elaborated, key elements already emerging include the need to: strengthen and extend the protected area system; increase national and local capacity in natural resource management (in both forested and non-forested areas); and promote greater public participation in sustainable natural resource management. The Baseline Scenario and GEF Alternative have been developed within this evolving policy context.

Baseline Scenario

3. Under the Baseline Scenario, it is expected that the GOA would begin to implement the priorities identified in the National Biodiversity Strategy. Within that framework, priority would be given to activities that generate national economic benefits deriving from sustainable use of the country's native forest resources and modern management of its protected areas system. Efforts to expand the NPAS to include under-represented, globally significant areas would also be initiated. This Baseline Scenario would translate into two primary operational programs/emphases: *Native Forests*: (a) development of an incentive and regulatory framework to encourage sustainable use of native forest resources (US\$ 1.0 million); (b) development of the information tools (inventories, database, etc.) to facilitate sustainable management of the native forest resource over the long term (US\$ 8.5 million); and (c) applied research on improved management and conservation of native forests (US\$

5.6 million); **Protected Areas:** (d) modernization and strengthening of APN's system for managing the NPAS (US\$ 3.4 million); (e) investments in selected national parks capable of attracting national and international tourism (US\$ 11.6 million); and (f) initial expansion of the NPAS to include sites of global significance (US\$ 7.0 million). The combined cost of this Native Forests/Protected Areas Baseline Scenario is estimated at US\$ 37.1 million.

4. Implementation of the Baseline Scenario would permit GOA to address native forest management issues in a comprehensive and coherent manner, building partnerships with the private sector and in the provinces. Improvement in the management of the protected areas system, development of visitor infrastructure at selected sites, and formulation of tourism strategies would increase opportunities for cost-recovery and revenue-earning activities in local communities without threatening ecosystem stability. The expansion of the NPAS to five under-represented ecosystems (Andean Puna, Pampas grasslands, semi-arid Chaco, Cordoba montane savannas, Patagonian Steppe) would lay the basis for conservation and protection of globally significant biodiversity in Argentina. However, implementation of the Baseline Scenario would only cover basic establishment costs at these new parks (land acquisition, compensation arrangements, and a minimal staff presence), and would not be sufficient to assure the institutional/management capacity and full public participation which would be necessary for effective, long-term conservation.

Global Environmental Objective

5. The global environmental objective of the GEF Alternative would be to ensure the effective, long-term conservation of biodiversity of global importance in four categories of ecosystems in Argentina: arid and semi-arid ecosystems (the Pampas, the Puna, and the Patagonian Steppes); forest ecosystems (Córdoba montane savannas and the Chaco); mountain ecosystems (the Puna), and coastal, marine, and freshwater ecosystems (Patagonian Steppe and littoral and wetland Patagonian habitats). The sites selected for protection are characterized by high-endemism, pristine habitats, and in some cases, existence of threats from alternative economic development. Populations of threatened mammals (Pampas Deer, Jaguar, Giant Anteater, Giant Armadillo, pinnipeds, camelids) and birds (condors, seabirds) are considered outstanding and of global significance (see Annex 2).

GEF Alternative

6. Under the GEF Alternative, the GOA would be able to undertake an ambitious program encompassing both national and global benefits. The GEF alternative would comprise the already described Baseline Scenario (i.e., native forest management, modernization of the NPAS, establishment of new sites), **as well as** an expanded conservation and sustainable use program to promote the integrity and long-term conservation of the selected ecoregions of global interest. Activities included under the two primary operational programs would be modified as follows to achieve the global objective of protecting these unique biological resources: **Native Forest** (activities same as Baseline, cost: US\$15.1 million); **Protected Areas:** (a) modernization and strengthening of APN's system for managing the NPAS (US\$ 3.9 million); (b) investments in selected national parks capable of

attracting national and international tourism (activities same as Baseline, cost: US\$11.6 million); (c) investments in selected parks of global significance (US\$ 16.4 million); this would include establishment costs (as per the Baseline Scenario) as well as sustainable management arrangements, buffer zone activities, public participation, and training; and (d) creation of a national biodiversity network (US\$0.6 million). The cost of the GEF Alternative is estimated at US\$47.6 million.

7. Implementation of the GEF Alternative would make possible activities and programs that would not have been possible under the Baseline Scenario, thus covering important gaps that would otherwise threaten the integrity of the proposed protected areas. While both the Baseline Scenario and the GEF Alternative would expand and diversify the country's existing NPAS by including internationally-significant ecoregions, only the latter option would ensure their long-term conservation and protection through strengthened on-site management, outreach to and involvement of local communities and local governments, and development of viable approaches to natural resource use in park buffer zones. The creation of a national biodiversity network would facilitate informed decision-making and permit improved monitoring of impacts and trends over the long-term.

Incremental Costs

8. The difference between the cost of the Baseline Scenario (US\$ 37.1 million) and the GEF Alternative (US\$ 47.6 million) is estimated at US\$10.5 million. Of this amount, it is estimated that about US\$400,000 would generate national benefits, mainly from investments in sustainable productive activities in the buffer zones of the protected areas, which would not have taken place under the Baseline Scenario. Because the beneficiaries would cover the cost associated with achieving these additional national benefits, the incremental cost of achieving global environmental benefits (protecting unique biodiversity in five selected parks) under the GEF Alternative is estimated at US\$10.1 million.

Component Sector	Cost Category	US\$ Million	Domestic Benefit	Global Benefit
Protected Areas with Clear National Benefits	Baseline	12.37	Improved management of national park system; increased tourism revenues from investments in five "charismatic" national parks.	Protection of globally significant biodiversity.
	With GEF Alternative	12.37	Same as above.	Same as above.
	Incremental	0		
Generation and Dissemination of Research and Information	Baseline	15.11	Improved policy framework and up-to-date information to encourage sustainable use of native forest resources outside of national park system ; increased knowledge of effective forest management and conservation practices.	
	With GEF Alternative	15.11	Same as above.	
	Incremental	0		
Additional Protected Areas of Global Importance	Baseline	7.32	Expansion of national park system to five under-represented ecosystems.	Initial land purchase.
	With GEF Alternative	16.4		Implementation of effective protection programs in five under-represented ecosystems with globally significant biodiversity.
	Incremental	9.04		
Biodiversity Information Management	Baseline	0.14	Initial steps to increase knowledge of local biodiversity and access to biodiversity information for park and natural resource management.	
	With GEF Alternative	0.66		Establishment of information system to mainstream biodiversity in regional development as well as provide information to clearing house mechanism.
	Incremental	0.52		
Management, Monitoring and Evaluation	Baseline	2.55	Effective management of sustainable development investments; avoidance of negative project impacts on the environment in project area.	
	With GEF Alternative	3.1	Same as above.	Effective management of investments aimed at long-term conservation and sustainable use of globally significant biodiversity; improved monitoring of migratory species.
	Incremental	0.55		
Totals	Baseline	37.5		
	With GEF Alternative	47.6		
	Incremental	10.1		

LETTER OF COUNTRY ENDORSEMENT BY DESIGNATED
OPERATIONAL FOCAL POINT

Ministerio de Relaciones Exteriores,
Comercio Internacional y Culto

LETRA: DGCIN
Nro.: 100050/96

BUENOS AIRES, 11 de diciembre de 1996

OBJETO: ARG/96/023. Conservación de la
Biodiversidad en Argentina.

La CANCELLERIA -Dirección General de Cooperación Internacional-
saluda al *Banco Internacional de Reconstrucción y Fomento/Banco Mundial* y, en el marco
del Fondo Multilateral para el Medio Ambiente Mundial (GEF), tiene el agrado de presentar
una preparación de una propuesta de revisión de proyecto.

Al respecto, se trata del "Proyecto de Conservación de la Biodiversidad en
Argentina", que si bien se encuentra en la etapa preparación, cuenta con el financiamiento
correspondiente mediante la carta Acuerdo GEF - PPA 28464.

Asimismo, la contraparte nacional informa que la Propuesta de Revisión hace
mención a un Programa Integrado que involucra dos Proyectos. El primero el de la
referencia y el otro el de Bosques Nativos y de Areas Protegidas.

La CANCELLERIA -Dirección General de Cooperación Internacional-
reitera al *Banco Internacional de Reconstrucción y Fomento/ Banco Mundial* sus atentos
saludos.

sbg
arg
H:medio-am/parques.doc

cc PNUD

A la Oficina Local del Banco Internacional
de Reconstrucción y Fomento/Banco Mundial
BUENOS AIRES



TECHNICAL REVIEW
ARGENTINA: BIODIVERSITY CONSERVATION PROJECT

RE: Argentina Biodiversity GEF Project

DATE: 9 October 1996

As requested, I have reviewed the revised project document for the Argentina Biodiversity Conservation Project taking into account whether my earlier comments as STAP reviewer have been taken into account.

It appears that a great deal of progress has been made since February 1995 when I reviewed the initial documents. The revised documents clearly demonstrate that a sincere effort has been made to take many of my earlier comments into account. The relationship between the different components is more clearly integrated. The social survey has apparently determined that no indigenous peoples will be affected by the project although some campesino families will likely have to be relocated under World Bank procedures. The documents reflect a commitment to involving all stakeholders in order to achieve sustainable conservation. Real potential risks are identified and analyzed.

The new project document promises a much better project than the initial documents. The new documents move the project from the earlier "theoretically feasible project" to a more realistic and feasible project. The project could even become innovative if stakeholders take seriously the need to work together to achieve conservation and bring life to new collaborative, Argentinian efforts to conserve their biological heritage.

GLOBAL ENVIRONMENT FACILITY - Comments for TRP

COUNTRY: Argentina

PROJECT: "Improved Management and Conservation of Protected Areas,
Native Forests and Biodiversity"

DATE: 23 February 1995

Summary:

Argentina's globally-valuable biodiversity has not received the attention from funders that it deserves. This is an excellent opportunity for GEF investment in an under-funded area. The concepts of the subcomponents as presented in the IEPS are appropriate, but it is not possible to assess the design for implementation since very little detail is presented.

The presence of indigenous peoples in protected areas (existing and proposed) should bring the project under the Bank's "Operational Directive on Indigenous Peoples". The project documents (p.15, "environmental aspects") state that any EAs will address project impacts on indigenous peoples. They should indicate that compliance with the Operational Directive will be built into the project design whenever there is a potential for impact on indigenous peoples.

Given the available information in the documents provided, in my judgement the project is theoretically feasible. The actual feasibility of the project will depend on the design to be reflected in the Project Implementation Manual. If processes for achieving participation and user-needs assessments are carried out at appropriate points early in the project, and if flexible, iterative processes are used for achieving community, provincial government, NGO, and other stakeholder involvement in protected area design and management, the prospects for success and sustainability will be enhanced -- as noted in the Lessons Learned annex.

**1.0 RELEVANCE TO GLOBAL, REGIONAL, AND COUNTRY SPECIFIC
BIODIVERSITY ISSUES:**

This project addresses the conservation of a subset of the globally-important biodiversity of the Americas that has received insufficient attention from funders. The need for conservation action is well-argued. Overgrazing, loss of forests, siltation, etc., are slowly eroding Argentine biodiversity. As the IEPS (paragraphs 1-2) describe, Argentina covers a very diverse suite of ecoregions, many of which have been identified as high priority ecoregions for the LAC region. The wetlands support migratory birds from other parts of the hemisphere. The current park system does not include representation from all ecoregions, and many of the existing protected areas are "paper parks." To date, Argentina has not focused actively on assessing or protecting its biodiversity. Nor has attention been focused on evaluating

national programmatic options for conservation action at site specific and policy levels. Argentina lacks a national biodiversity inventory, surveys of potentially economically valuable species, and systematic assessments of the threats to that biodiversity. GEF assistance is appropriate for enabling Argentina to remedy this situation.

2.0 DESIGN:

2.1 General:

The project concept is generally good, but I have many questions about how it will be implemented. The IEPS provides very limited information, because the project design is still to be done. The description is rather theoretical. It is essentially an outline of component parts. Therefore it is difficult to comment on the project design except at a relatively superficial level.

The subcomponents comprise the necessary elements for a cohesive program for biodiversity conservation, and include utilization of biodiversity as well as protection of habitats. But I don't get a sense of a coherent program formed around the subcomponents from this document.

The project is very biodiversity driven -- research about biodiversity, protection of biodiversity, and education about biodiversity. But conservation is a political and social process, and the longterm success of the protected areas system will depend on how well the project implementing units assess and manage the social and political aspects of their work. The document does not explicitly assess or discuss the social and political challenges faced by the project, however.

In comparison to other GEF proposals that I have reviewed, I find unusual the lack of information about: populations of the Protected Areas (both existing and those that may be demarcated), Buffer Zone plans, user-groups now affecting forests, and processes and timing for participation by residents in project sites. Other GEF proposals have reflected the fact that significant thought was dedicated to such issues throughout design. I don't know if this difference is because the IEPS left out existing information, or because the design teams felt that the social impact and participation aspects of the project did not merit attention during initial design.

I am specifically concerned by the lack of attention to indigenous peoples' territorial rights and park interactions with pre-existing campesino settlements and private ranches. At present, there are campesino settlements and private ranches inside existing national parks, as well as indigenous peoples' settlements in areas being considered for new parks. At present, individual park managers deal with residents in a case by case basis. There are many potential opportunities for policies that standardize resident participation in protected area management -- ranging from agreeing to restriction on day to day use of resources, to active participation in drafting land use regulations, designing tourism development, and co-management of parks, etc., that could be explored by NPA under this project.

I recommend that the next phase of project design include a social scientist consultant (ideally an institutional specialist who is familiar with the range of co-management options) to focus on the non-biological aspects of the project. Mexico, Belize, and other Latin American countries have experimented with various options and Argentina's NPA could develop some options from studying their experiences early in this project.

Finally, local management of some resources is probably already in place among ranchers, farmers, and indigenous peoples. The analysis and design are silent on this. What are the existing incentives for conservation? Could the project undermine those existing incentives? How could the project build on those incentives?

2.2 Institutional Strengthening and Policy Framework:

The introductory sentence states this component will focus on policy, legal and regulatory framework, but no information is given on how this will be done. It could just be a routine survey of standard park and wildlife regulations and legislation, following North American blueprints; or it could be much more. Under this element, the project could assist the government to assess options for national policies on integration of residents into park management, as well as explore options for indigenous/campesino ecological reserves in areas where this would be appropriate.

The training component is mentioned but not described beyond mentioning improving training at park guard school and additional foreign and domestic training. The curriculum, or the process for developing a curriculum, is not described. Again, it could be the usual North American pattern that has limited applicability in Latin America, or it could be designed to meet Argentine needs. In many other countries, surveys of park guards have revealed that park guards desire training in "people skills" such as conflict resolution, facilitation skills, public relations, etc. Their standard biology-focused training does not provide them with these skills.

This component should include strengthening for NGOs and local government units.

2.3 Research & Information Generation and Dissemination Component:

This component includes inventory of forests and biodiversity; on-farm research in the Chaco; and research outside the Chaco, including a workshop.

A complete national inventory of forests and biodiversity will take years to complete. If existing collections are computerized, this will facilitate the process. But it is likely that in many areas, collections must be made and scientific identities determined. This is slow and careful work. The ability of Argentine taxonomists to handle the identifications of so many specimens is not addressed. Will the project fund linkages with

major herbaria and museums outside Argentina in order to expedite identifications?

How will the project assist the Argentine government to select the database best suited to their needs? The choice of a database system needs serious thought for it to be of maximum use in policy decisions related to land use planning, and not just generate lists of species. The project should facilitate a needs assessment process within the government and assist the government by providing information about systems in other countries. The ERIN database in Australia is the state-of-the-art national database system linked with GIS that links species' locations with climatic data and imagery from remote sensing. ERIN has hosted delegations from Costa Rican and Indonesian governments among others who are seeking to design their respective national databases. I recommend the project include a study tour to ERIN.

The Chaco On-Farm research component is an innovative and welcome concept for developing ways to encourage private landowners to conserve biodiversity. It is unclear by what process the research needs would be identified. Research topics should be based on FRAs, landowner surveys, and other sorts of needs assessments to determine target groups' interests, rather than based upon scientists' areas of interest (which is likely if no assessments are done). Opportunities for "participatory research" by local people and other resource users are not addressed. Resource users, as well as guards, can be trained to collect useful data.

Research program for areas outside the Chaco should also be based on a needs assessment. The illustrative list of topics is very broad. The inclusion of investigations into economic uses for the biodiversity is good. One workshop is likely to be insufficient for defining a full research agenda; it should follow as the culmination of needs assessments carried out among the various target/interest groups.

2.4 Protected Areas Component.

Three to five new Protected areas would be created under this project (\$10 million). The list of potential areas is a good one, but a Patagonian steppe area should be added.

All of the provinces mentioned, except one, include areas occupied by Indigenous Peoples (see attached overview of the distribution of indigenous peoples by province in Argentina). How will the project proceed if Indigenous Peoples are resident in the proposed Protected Areas? This process is not described. The process needs to be more than consultations; Indigenous Peoples and representatives of other campesino groups should be actively involved in decision-making steps as selection of protected areas is made and management plans are developed.

The situation is different in different parts of the country, but it is likely that any proposed park will encounter residents -- ranging from private titled ranches to old campesino settlements to Indigenous Peoples' homelands -- all of which are found now inside some existing parks. How does the project plan to assist NPA to develop a policy and standard process for working

with residents when establishing new parks and improving administration of old ones? It is not likely to be possible to just "fence off" biodiversity (as described on p.30). The Lessons Learned annex illustrates that clearly.

Argentina has the opportunity to develop processes and strong legally-sanctioned mechanisms for working with rural residents now, instead of going down the path of removing people, creating park enemies, and eventually being forced to work with people as has happened in so many other countries. Biodiversity and civil society both suffer in that unnecessary process. Argentina's population pressures are low now, but they will grow, as will the resource extractive demands on Argentina's forests, grasslands, and waterways. Conservation must be designed for flexible responses in the face of changing conditions, but plans should cover expected changes over the next 100 years at least. Plans and processes for involving local residents in conservation should be put in place now.

Improved management of existing Protected Areas is described as provision of equipment. While equipment may be useful, it is quite possible that the reasons for the "paper park" quality of these parks are not related to equipment. Will there be technical assistance to assist the NPA to assess what steps are necessary for improving management?

Environmental education, ecotourism development and Buffer Zone management -- Environmental education should extend to urban areas, as well as to areas in the immediate vicinity of a protected area. Often it is the decisions of policy-makers in other sectors (agriculture, mining, etc) that have the most impact on biodiversity. Environmental education should target them as well. Ecotourism development should be linked with environmental education if it is to contribute to conservation. Ecotourism, in and of itself, does not necessarily contribute to conservation.

No information is given on the meaning of "buffer zone management," or how funds will be allocated for this purpose. Buffer zones have not been implemented in Argentina, and the project should take the opportunity to assist the government to define buffer zones in the Argentine context.

2.5 The Operational Directive on Indigenous Peoples.

Indigenous peoples live in many provinces of Argentina. Estimates of the total population of people identifying themselves as indigenous (as opposed to those who call themselves campesinos) range from 350,000 to 500,000. This figure is much higher than Brazilian populations of indigenous peoples (total around 200,000). Yet, Argentina has lagged behind other Latin American countries in recognizing the rights of indigenous peoples.

The identification of Indigenous Peoples at project sites should put the project under the Bank's "Operational Directive on Indigenous Peoples". The project documents do not mention this. The project implementation manual should include guidance from the Bank's current Operational Directive and any future Bank policies on indigenous peoples, as well as any plans on how to address the land rights claims of indigenous peoples if they are, or have been, made.

2.6 NGO participation:

The documents indicate that environmental NGOs have been consulted during project planning. They also indicate that NGOs will be involved in implementation and provision of technical assistance. The exact level of participation in design decisions is not clear. Participation of NGOs should contribute toward achieving project accountability. Do the NGOs have the capacity to do all they will be asked to do? Have the strengths and weaknesses of the NGOs been assessed, and is there a plan to strengthen the weaknesses?

How will the project guide NGOs to maintain good communication with local government and not usurp roles from local government? Failure to provide information to local government and power-grabbing by NGOs have proven to be a problem in other countries; the project should take proactive measures to prevent this from happening. In other words, the project should take advantage of the skills of NGOs, and their role as facilitators that bring stakeholders together, but beware of the political hazards of not transferring information and skills to local government or local representatives of government agencies as appropriate.

2.7 Accountability:

Aside from the short generic paragraph on monitoring and evaluation, the project documents do not address how the project will monitor accountability for achieving conservation objectives. Such monitoring should be built into every subcomponent of the project, and include room for independent evaluation by outside experts as well as community-based monitoring and evaluation of project/component implementation. The latter will contribute toward accountability and toward strengthening community commitment to conservation objectives. Mechanisms should be established to enable communities and stakeholder groups to offer feedback to local park management and upper management.

3.0 FEASIBILITY:

Given the limited information in the documents provided, in my judgement the project is theoretically feasible, but the prospects for success will depend on further development of the design to address indigenous peoples' issues and accountability mechanisms. The level of commitment by Argentine authorities to achieving project goals is not clear from the documents, although their commitment of funds toward the project is a good sign. The IEPS indicates that environmental NGOs are interested in the project and some have participated in initial project planning, although many of the contacts were just short conversations. Strong involvement of NGOs in design and implementation will increase the chances for success (as noted in Lessons Learned annex).