GEF-6 PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FULL-SIZED PROJECT
TYPE OF TRUST FUND: GEF TRUST FUND

PART I: PROJECT IDENTIFICATION

Project Title:	Mainstreaming biodiversity conservation and sustainable land management (SLM) into development planning: Making Environmental Land Use Planning (ELUP) Operational in Argentina		
Country:	Republic of Argentina	GEF Project ID:	9583
GEF Agency:	UNDP	GEF Agency Project ID:	5791
Other executing partner:	Ministry of the Environment and Sustainable Development (MAyDS) with the collaboration of Provinces	Submission date	April 17, 2017
GEF Focal Area:	Biodiversity and Land Degradation	Project Duration (mths)	72
Integrated Approach Pilot	IAP-Cities ☐ IAP-Commodities ☐ IAP-Food Security ☐	Corporate Program: SGP ☐	
Parent Programme	NA	Agency Fee ($)	854,566

A. FOCAL AREA STRATEGIC FRAMEWORK

Objectives/Programmes (Focal Areas, Integrated Approach Pilot, Corporate Programmes)	**Fund**	**GEF $**	**Co-financing $**
BD-4 P 9: Sustainably use & manage biodiversity in production landscapes, seascapes and sectors.	GEFTF	3,248,858	11,550,000
BD-4 P 10: Integrate valuation of BD & ES in national-level policy development and finance planning	GEFTF	2,021,231	14,500,000
LD-3 P 4: Integrated landscapes: reduce pressure on natural resources by managing competing land uses in broader landscapes[1]. Scaling up sustainable land management through the landscape approach.	GEFTF	1,797,257	7,200,00
LD-4 P 5: Mainstreaming Sustainable Land Management (SLM) in development.	GEFTF	1,928,088	8,500,000
Total Project Cost		**8,995,434**	**41,750,000**

B. PROJECT DESCRIPTION SUMMARY

Project Objective: Generate multiple biodiversity and land degradation benefits by developing a system of policy, economic, financial and technical instruments and governance mechanisms for environmental land use planning (ELUP) to mainstream socioeconomic and environmental evaluation of ecosystem goods and services (ES&G) in decision-making at different government levels and sectors

Project Component	**Grant Type**	**Expected Outcomes**	**Expected Outputs**	**Fund**	**(in $) GEF $**	**$ Co-financing**
1. **Federal** enabling framework and strategies to reinforce ELUP, and underpin implementation in priority ecosystems and habitats to reducing pressure from key production sectors. (**target sectors**: agriculture & livestock; mining and peri-urban infrastructure)	TA	An effective governance framework for defining, implementing and compliance monitoring of ELUP provides the basis for Federal minimal standards for application in of ELUP in all 23 Provinces and incorporates best practices from ground testing in 4 Provinces (Component 2) & lessons learnt from other provinces (component 3) Increase in capacity to plan and implement ELUP & ES valuation in development plans and sector financing to reduce threats to BD & LD in priority areas; measured by ▪ *20% increase from baseline in Capacity Scorecard ratings of Federal environment & target sector institutions* ▪ *increase in % of sector finance that incorporates ELUP zoning and new production standards (baseline & target t.b.d in PPG)* Policy, planning and strategy documents determining the directions and priorities of the key target sectors (mining, agriculture and infrastructure)	1.1.**Environmental information system updated and standardized to support the ELUP process & decision-making:** Unified database accessible to government levels, jurisdictions & stakeholders: a) linking existing databases (web, GIS etc.); b) updated environmental statistics; c) key environment indicators for ELUP; d) GIS and maps of key national conservation data for ELUP (eg BD/ LD priority areas & risks; e) consultation mechanisms; f) sector risk analyses; g) operational/ finance plan for permanent update **1.2. Federal level ELUP criteria agreed-upon** including, a) SLM, BD conservation & ES valuation criteria for defining different land-use zones and production practices restrictions; b) public policy framework and strategies to reinforce existing territorial planning and advance ELUP as a State instrument to mainstream environmental, social and economic aspects into development planning and finance; b) draft regulatory proposal on Federal minimum standards[2] for Provincial ELUP legal and institutional framework building on an integrating existing forest, wetland and glacier zoning c) incorporating ELUP criteria into sector planning and finance frameworks 1.3. **Standardized instruments for implementing ELUP for targeted sectors.** This includes: a) criteria and standards for production practices in restricted use area priority for BD & ES conservation; (b) protocol for setting up PA as a basis for ELUP; (c) guides for sector-based Environmental Impact Assessment (EIA) tailored to ELUP zoning; d) Federal	GEF TF	1,960,000 BD 1,156,400 LD 803,600	9,212,000

[1] The terminology "landscape" is the GEF Strategic Objective terminology and not one Argentina uses in multilateral fora.

[2] Argentina's Constitution states: natural resources are owned by the provinces; the National Government is in charge of enacting the laws on "minimum standards" for protecting the environment, its ecosystems, biodiversity and all other natural resources; these establish the common principles and minimum levels provinces must have in place for protecting the environment; provincial governments shall enact laws to supplement national provisions. Within this framework, provinces are charged with implementing ELUP but the national Government can establish minimum standards for ELUP and its implementation.

		Regulatory instruments (judicial and technical norms) e.g. EIA that determine the nature and magnitude of impacts from target sectors practices on different ecoregions, their ES and mitigation measures for different land-use zones	norms needed to enhance instruments tested in Provinces (comp.2). 1.4 **Inter-sectoral and inter jurisdictional co-ordination mechanisms** for dialogue to mainstream BD and ELUP in sectoral programming & finance decisions emphasising the agricultural and mining sectors. a) proposals for coordinating different jurisdictions and sectors to prepare & implement plans, programmes and projects linked to ELUP; b) dialogue platforms for governmental, NGOs and production sectors actors for sector-based planning and mainstreaming provincial ELUP into federal programmes; c) mainstreaming economic and financial criteria in appraisal of ecosystem services.			
Component 2: Application of ELUP procedures and instruments in pilot Provinces with targeted ecoregions and production sectors land uses. **Pilot provinces** Buenos Aires; soy/beef/peri-urban infra-structure Jujuy mining tourism infrastructure; agriculture. Mendoza: irrigation agriculture& mining San Luis: Agriculture Mining inter-jurisdictional water management (see Table 1)		Management of human-biodiversity interface is strengthened in target provinces to produce BD and LD benefits & flow of ES, measured: ▪GEF P9 and 10 tracking tools ▪ > 20% increase from baseline in Capacity Scorecard ratings of pilot Province environmental authorities ▪ELUP processes in 4 provinces counts with reliable data for defining priority areas for globally important BD; ecosystem service provision; reducing drivers of LD processes; & managing conflicting land-uses in target ecoregions over: Espinal: 6.74 million ha ▪Dry Chaco:3.64million ha ▪Low Monte: 9.06million ha ▪High Andes: 4.23million ha ▪High Monte: 0.519million ha ▪Puna: 2.70million ha ▪Yungas Forest: 0.80million ha ▪Patagonian Steppe: 3.05m ha ▪Parana Delta /Flooded Savannas 0.32 million ha ▪Pampa 27.26million ha ELUP agreed upon and implemented in priority landscapes covering c. 10% of target ecoregions (5,835,730 ha) through applying instruments to enforce modified production e.g. ▪*EIA of sector development initiatives include mitigation measures to reduce pressures* ▪*Sector-specific and local development programmes include production practices restrictions* ▪*PA buffer area management plans to maximize effectiveness in combating sector-related threats* SLM & BD friendly practices tested in target (mining; agro-businesses; & peri-urban infrastructure) applied in. c.1% priority areas 583,573 ha - *Reduces soil erosion* - *Reduces habitat loss of key spp* Table 2 (*targets t.b.d in PPG &)*	**2.1. Provincial Regulatory Framework for ELUP strengthened** with: a) Proposals for provincial and/or municipal ELUP regulations building on existing laws and instruments tested; b) proposals for criteria, methodological protocols, legal and administrative procedures and technical, economic and financial instruments for ELUP (eg. Local BD & ES), incentive mechanisms, credit restrictions, or trade-off mechanisms; c) analysis of alternative strategies to identify "best-bet" approaches for internalizing flows of costs and benefits different environmental management approaches. **2.2 Provincial Governance Framework for participatory ELUP & sector consensus building** a) Inter-institutional dialogue platforms for multi-sectoral decision-making, specific to each Province, to contribute to and facilitate ELUP zoning and coordinate production changes with sectors in programmes and policies at the eco-regional level. At least sector specific platform: soya or beef; b) Communication of information and support material to raise awareness on ELUP to increase participation and implementation, and on the economic appraisal of ES&G, and the consequences land use management options in "target" sectors and ecosystems. **2.3. Set of instruments validated in pilot landscapes for defining and implementing ELUP:** 1. Instruments for **improved ELUP** (prioritising areas and decision making): 1.a protocol for assessing ecosystem vulnerability to specific sector threats; 1.b undertaking ES goods & service valuation; 1.c scenario analysis. 2. Instruments for **enforcing & incentivising production changes** restricted land-use zones: 2.a Enforcement: EIA procedures for different land-use zones; penalities/fines for incompliance of land-use zones; enhanced surveillance; funding restrictions; environmental insurance; 2.b Incentives: duty exemptions and tax incentives, soft loans: fiscal instruments; and 2.c compensation schemes **2.4 SLM and biodiversity-friendly production practices validated for different ELUP land use zones** to reduce sectoral threats in different ecosystems at pilot sites within each of the provinces, for example: **soybean**: wind breaks, terracing, riparian vegetation restoration and reduced use of agrochemicals; **beef**: herd stocking and rotation practices (eg Buenos Aires); fire management and livestock farming with native species; terracing water harvesting; mining waste management (eg Mendoza, Jujuy Puna); **irrigation** improved efficiencies (improved storage; drop irrigation Mendoza, San Luis); **mining**: waste management (Mendoza)		4,975,000 BD 2,898,033 LD 2,076,967	23,598,875
Component 3 Replicability framework for ELUP uptake in all		Replicability significantly reinforced, facilitating the adoption and implementation of ELUP criteria and SLM practices in the	3.1 **Nationwide ELUP experiences and related instruments evaluated** as an input to determine the best mix of instruments for different sector production and ecoregion. This will include ex-ante and ex-post evaluation of		1,632,080 BD 962,927	6,956,000

Argentine provinces.		remaining provinces and the nationally important ecoregions. - *Policy and regulatory frameworks and capacities of provincial agencies nationwide so as to favour ELUP replication.* - *% increase from baseline in Capacity Scorecard ratings non Pilot Provincial environmental governance institutions target t.b.d. in PPG* Monitoring of ELUP used to adjust sectoral and financial programming guidance. Good practices and lessons learned disseminated in support of ELUP's replication at the regional level (especially shared ecoregions).	programmes & projects in non- pilot Provinces that have applied approaches and instruments such as those listed in para 47): it will review financial flows for BD and for SLM and how these can be increased to support ELUP. Outcomes achieved and lessons applicable will be systematised and assist in defining federal & provincial ELUP frameworks. 3.2. **Nationwide ELUP Capacity Strengthening Programme for Provincial Authorities** implemented with Provinces taking a protagonist role. This will include facilitated intra and inter-provincial learning and build capacities for uptake of pilot Province results, application of instruments and for assuming future ELUP minimal standards. It includes: a) Fora and training modules on ELUP process, BD and SLM criteria, policies, strategies, methodologies, instruments and practices needed for different ecosystems and production sectors; b) targeted support to strengthen policy and regulatory frameworks in different provinces to implement ELUP. 3.3. **System to Monitor ELUP implementation nationwide established** including monitoring and evaluation of achievement of pilot case and national level objectives, through a set of indicators to identify changes in policies, regulations, governance and land use linked to the ELUP process. This will serve not only project monitoring and be used to build a nationwide results framework for monitoring and to generate knowledge for continuous learning. 3.4. **Knowledge management system** set up to disseminated good practices and lessons learned to a wider audience including through communication channels such as websites, information networks, and publications.		LD 669,153	
Subtotal					8,567,080	39,766,875
Project Management Cost (PMC)			PMC FA breakdown BD 252,729; LD 175,625	GEF TF	428,354	1,983,125
Total Project Costs (does not include fees or PPG)					8,995,434	41,750,000

C. PROJECT CO-FINANCING SOURCES BY NAME AND TYPE, IF PROVIDED

Co-financing Sources	Co-financer	Co-financing	Amount ($)
National Government	Ministry of the Environment and Sustainable Development (MAyDS)	Grant	7,550,000
National Government	Ministry of the Environment and Sustainable Development (MAyDS)	In Kind	2,000,000
National Government	National Institute of Agricultural Technology (INTA)	Grant	4,500,000
National Government	National Institute of Agricultural Technology (INTA)	In Kind	1,000,000
National Government	Other National Institutions	In Kind	6,000,000
Local Governments	Buenos Aires, Jujuy, Mendoza, San Luis	Grant	20,000,000
Local Governments	Buenos Aires, Jujuy, Mendoza, San Luis	In Kind	500,000
GEF Agency	UNDP	Grant	200,000
Total Co-Financing			**41,750,000**

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, COUNTRY AND PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/	Area Focal	Programming of Funds	(in $)		
					GEF Project Financing (a)	Agency Fee (b)	Total (c)=a+b
UNDP	GEFTF	Argentina	Biodiversity	NA	5,270,089	500,658	5,770,747
UNDP	GEFTF	Argentina	Land Degradation	NA	3,725,345	353,908	4,079,253
Total GEF Resources					8,995,434	854,566	9,850,000

E. PROJECT PREPARATION GRANT (PPG) IS PROJECT PREPARATION GRANT REQUESTED? YES X

Project Preparation Grant amount requested: $136,987 PPG Agency Fee: $13,013

GEF Agency	Trust Fund	Country	Focal Area	Programming of Funds	PPG (a) $	Agency Fee $(b)	Total $ c = a + b
UNDP	GEFTF	Argentina	Biodiversity	NA	80,255	7,624	87,879
UNDP	GEFTF	Argentina	Land Degradation	NA	56,732	5,389	62,121
Total PPG Amount					136,987	13,013	150,000

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS

Corporate Results	Replenishment Targets	Project Targets
Maintain globally important diversity and ES goods & services that such diversity grants to society	Improved management of landscapes and seascapes, across 300 million hectares	5,835,730 ha*
Achieve Sustainable Land Management (SLM) in production systems: agricultural, grazing & forest	An area of 120 million hectares under SLM	583,573ha**

* Improved management in 10% of target ecoregions implementing ELUP in priority landscapes by applying instruments to trigger modified production practices in 3 sectors (mining; agro-businesses; & peri-urban infrastructure) ** SLM & BD friendly production practices tested in c.1% of ecoregions.

PART II: PROJECT JUSTIFICATION

1. **Overview.** This project will reduce biodiversity loss and land degradation in Argentina by mainstreaming biodiversity (BD) conservation and sustainable land management (SLM) approaches into the production practices of the main sectors driving these processes, namely the agriculture and livestock sector and the emerging threats from mining and infrastructure expansion in peri-urban areas. The approach to achieve this mainstreaming will be through spatial planning- Environmental Land Use Planning-**ELUP**. This will be based on criteria such as valuation of ecosystem goods and services and trade off scenario analysis to determine changes or modifications needed in production practices to reduce impact in priority areas in the landscape. It will support ELUP in 4 provinces, (Buenos Aires, Jujuy y Mendoza and San Luis), test production practices for different zones and model a mix of instruments to implement these restrictions in priority landscapes. These include command and control (e.g. fines, fiscal) approaches and incentives (e.g. preferential credit, market-based). This will deliver direct benefits to 9 ecoregions with globally significant biodiversity or top priorities for combatting land degradation. In parallel the project will strengthen Federal public policy for ELUP including setting the minimum standards for the application of these approaches in Provinces across the nation, and will incorporate the ELUP mechanisms into sector planning and finance frameworks. In doing so it will trigger changes in the use of public finance flows on the scale necessary to address threats to priority areas and develop the policy reforms needed to mitigate the drivers of biodiversity loss and encourage sustainable development through the better management of biodiversity and natural capital.

2. **Global significance.** The Argentine Republic is a federal country made up of 23 provinces and the Autonomous City of Buenos Aires (CABA). With an expansive continental and marine territory[3], Argentina has vast natural, cultural and economic complexity and diversity. Indeed, it is one of the countries with the highest number of ecoregions worldwide[i] with 15 terrestrial ecoregions and 3 marine/freshwater ecoregions as per the national classification system. These are the High Andes*;* Puna*;* High Monte*,* Yungas Forest*;* Dry Chaco*;* Humid Chaco*;* Parana Forest*;* Ibera Wetlands*;* Plains and Shrubs*;* Parana Delta and Flooded Savanna*;* Espinal*;* Pampas*;* Low Monte*;* Patagonian Steppe*;* Patagonian Forests*;* South Atlantic Islands, Argentine Sea and Antarctica[4,ii]. Of these, 8 have been classified amongst the highest priorities for conservation both nationally (National Biodiversity Strategy and Plan of Action- NBSAP) and regionally[iii]. Five are exclusive or semi-exclusive to Argentina and house a significant number of endemic species. The Argentine Sea Ecoregion includes coastal environments considered unique due to the influence of the cold Malvinas currents along the south coast of Buenos Aires province[iv]. Arid, semi-arid, sub-humid and dry ecosystems cover 75% of the national territory. Collectively referred to as drylands, these ecosystems include dry forest, scrub, grasslands, high altitude deserts and Andean wetlands.

3. Global ecoregion classifications ratify this extraordinary diversity. 16 ecoregions are recognized under the WWF classification of which 6 are included in the Global 200 Project[v]: Patagonian Steppe, Valdivian Forest, Dry Puna; Dry Central Puna; Yungas Forest; Atlantic Forest; and High Andean Lakes. The Parana Delta and Flooded Savanna forms part of the large river Parana ecoregion also recognised for its significant biodiversity. The Pampas grasslands have several Valuable Grassland Areas (VGA). Collectively these ecoregions house 10,006 species of vascular plants out of which 1,749 are country endemic species[vi]. There are 385 mammal species[vii]; 1,002 bird species[viii]; 175 amphibian species[ix]; 256 lizard and amphisbaena species[x]; 136 snake species[xi] and 14 turtle species[xii]. Within invertebrates, around 110,000 arthropods are believed to live in the country[xiii], and also 550 mollusc species, and 550 annelid species.

4. With a population of 40,117,096 inhabitants in 2010[xiv], and an economy based on its natural resources, these ecoregions also provide key ecosystem services for society at large and a broad range of production sectors, particularly conservation

[3] Argentina span the latitudes 21º 46' SL up to 55º 03' SL; is the 8th country in land area (2,791,810 km^2) and 4th in the America). Its marine territory covers 4,8 m km2, an additional 1.7m km2 of continental shelf was recently recognized under UN Convention on the Law of the Sea.

4 Spanish equivalents: Altos Andes; Puna; Monte de Sierras y Bolsones, Selva de las Yungas; Chaco Seco; Chaco Húmedo; Selva Paranaense Esteros del Iberá; Campos y Malezales; Valle y Delta del Paraná; Espinal; Pampas; Monte de Llanuras y Mesetas; Estepa Patagónica; Bosques Patagónicos; Islas del Atlántico Sur, Mar Argentino y la Antártida

of land for agriculture and livestock breeding in the Pampas, Wet Chaco and Dry Chaco ecoregions which are the main producers and exporters of farm products. Other ecoregions such as the Parana Delta and Flooded Savanna render services to sustain wetlands and related fisheries in the River Plate basin. Ecoregions such as the High Andes, Parana Forest, Yungas Forest and Patagonian Forest are water producers, and, overall, they provide key services not only at the global level but also for the national economy and the population's wellbeing.

5. **Problem to be addressed.** The country has taken measures to protect the core areas important for biodiversity conservation. Currently the country has 440 public and private protected areas (PA) covering 12% of the country. 13% are coastal-marine; 53 are under the national jurisdiction of the National Parks Administration (APN) and 386 are under the 23 Provinces and CABA jurisdiction[xv]. They include 21 Ramsar sites and 15 Biosphere Reserves in the MAB-UNESCO Programme[xvi] and 4 World Heritage Sites. In addition, the country has 8 sites in the Western Hemisphere Shorebird Reserve Network (WHSRN), 4of global importance, 2 hemispheric and 2 regional importance)[xvii]. It has 47 Valuable Grassland Areas (VGAs); 273 Important Bird and Biodiversity Areas[5], 192 private natural reserves covering 726,000[xviii] ha.

6. Despite these significant steps large expanses of key ecosystems remain throughout the production lands and are increasing threatened by: 1. **Habitat loss and ecosystem fragmentation:** land-use changes are the main cause leading to biodiversity loss (NBSAP,[xix]). It also leads to the emission of carbon from reduction of forest and scrub stocks and to land degradation processes and water and soil pollution; 2. **Climate change and invasive alien species** (IAS) are secondary causes of biodiversity loss[xx]. One of the main pathway of introduction is the expansion of the agricultural frontier. The spread of IAS in different ecoregions has caused biodiversity losses through inter-specific competition and changes as well as socioeconomic impacts (654 invasive plant, vertebrate, invertebrate, algae and alien fungi species have been recorded[xxi]). Climate change scenarios include drought, floods, strong rainfalls and increased incidence of extreme climatic events. These will accentuate existing threats particularly in the arid and semi-arid land where naturally high wind and rain distribution patterns are already accentuating land degradation process and increasingly natural disasters are occurring including land-slides and sandstorms. 3. **Pollution,** particularly of soil and water is also causing BD losses and degradation of land and water ecosystems. It is driven by high agrochemical use in agro-businesses; insufficient waste treatment in urban expansion areas such as in the Matanza-Riachuelo and Reconquista River waterbasins; (c) inappropriate management of mine waste.

7. These same drivers are causing increasing land degradation particularly in the large expanses of Argentina drylands where 30% of the population reside and generate some 30% of Argentina's agriculture and livestock production GDP (80% of country's and 40% of cattle). Based on LADA/WOCAT data 45% of the national territory has some level of degradation and deterioration of biological, physical and chemical soil properties generating important negative environmental impacts that go beyond production. Furthermore, land degradation processes are increasing at an estimated 650,000 hectares/year[xxii]. Some of the ecoregions targeted by this project suffer particularly high levels of land degradation: 48% of the plains scrubland; 62% of the dry valley scrubland and 75% of the Puna 75% suffer moderate to strong degradation

8. **Agriculture and livestock:** Argentina is the world's 3rd soybean and 11th beef producer. Exports of grain, oil and by-products increased by 205.72% in the last 22 years alone. Originally centred in the Pampas region the agricultural frontier expanded from the 1990s onwards into areas where conditions had previously been inappropriate for production. This expansion was driven by adaptation and resistance of crops, by new technological progress and new generation agrochemicals, by new management practices; and also due to the increase in price of commodities particularly soy. Expansion in soya production led to displacement and intensification of livestock breeding mainly in ecoregions where ecosystems are vulnerable for production. Today agricultural production and livestock rearing spreads across large areas of Pampas, Espinal, Humid and Dry, Wet Chaco, Yungas Forest, Plains and Shrub.

9. Expanding agricultural frontiers have led to fragmentation and loss of native forest habitat and forest degradation[xxiii] especially in the Chaco, Atlantic Forest and Yungas Forests that have suffered deforestation over 1.145 million ha. in the last five years (NBSAP). Between 2006–2014, 2.827million ha of forests were lost, largely due to conversion of forests and grasslands to agricultural systems in the Humid and Dry Chaco ecoregions MAyDS[xxiv]). The long-term conservation of animal and plant species in these environments are severely threatened. The National Native Forest Law (Law 26,331), calls for categorising forest ecosystems into different land uses. Category I forests cover 10,061,753 hectares in 21 provinces and as forest transformation is prohibited in this zone it provides a significant framework for protection[xxv] . There is more uncertainty on the effective management of the non-forest ecosystems. The most critical are mountain grasslands

[5] IBAs include globally threatened bird populations (red list species), restricted-range species (Endemic Bird Areas EBAs), species confined to South America & congratory bird species. 99% of Argentina's IBAs are important for globally threatened species, 70% for endemic species in EBAs, 81% SA and 8% congratory bird species. All the most relevant bird species for conservation purposes pertain to one or two IBAs

and shrubs, arid and semi-arid ecosystems in almost all of Patagonia, and the Pampa ecoregion to the High Andes where many hotspots are found such VGAs, IBAs, Western Hemisphere Shorebird Reserve Network, and Biosphere Reserve transition or buffer areas are under no formal legal frameworks and are exposed to encroachment.

10. In addition to biodiversity loss, the removal of natural vegetation due to expanding agriculture and livestock frontier in these drylands exacerbates land degradation exposing the fragile soils to wind and water erosion. Fires used to clear land for agriculture, often get out of control in these dry and windy areas. In the more fertile valleys, irrigation based agriculture is causing water deficiencies in regions where water deficits are already high (~-1000-1500mm). In many cases this is also increasing soil salinization and alkanisation. Livestock rearing also ranks high amongst the direct causes of land degradation in the drylands. Originally mainly sheep this is now combined with goats and to a lesser extent, cattle. The increasing animal loads combined with the limited pasture has generated overgrazing causing loss of native species; soil compacting as well as increased soil erosion with high rates of material (e.g. in excess of 150 tons /ha/year in the Puna), and reductions in wetlands and associated ecosystems. In turn this affects the ecosystem's production and regulation functions.

11. **Mining**: Argentina is an important regional producer of minerals, including primary aluminium, lead, copper, zinc, silver and gold. It also has the world's third largest reserve of lithium which is now being more actively mined. The national government has already granted mining rights over an area of 183,000 km^2 and has identified another 750,000 km^2 with a high mining potential mainly in the ecoregions of the High Monte, Puna, High Andes and Patagonian Steppe. In 2016, the Mining Secretariat identified 435 mine prospects including for lithium, silver, gold, copper, lead, boron and zinc. Of these only16 are in the production stage however given increases in the price of mineral commodities expansion is expected and production will most likely be with extraction technologies that generate waste on a large scale.

12. **Peri Urban infrastructure expansion** Ninety-one percent of the country's population lives in urban settlements of over 2,000 inhabitants.[xxvi] Expanding infrastructure for urban uses and tourism in the peri-urban areas is another driver of habitat loss and fragmentation and land degradation affecting ecosystems of high ecological, and production value. This is particularly prevalent in the Pampas, Parana Delta ecoregions. The Buenos Aires Metropolitan Area for example has a projected increase of almost two million inhabitants in the next 10 years[xxvii] ; and expansion of tourist areas is increasing along the Atlantic Coast in Buenos Aires province. Permanent residents in coastal tourist cities has increased rapidly (100% in Pinamar District for 1991-2001 and 24% for the period 2001-2010; in *Partido de la Costa* district, 57% for 1991-2001 and 15% for 2001- 2010, -INDEC). Deficient planning and land occupation has led to encroachment in vulnerable and prohibited areas causing erosion in coastal ecosystems, with extreme cases of marine intrusions of 5-6m/year[xxviii].

13. Thus, although there are important areas under conservation through protected areas, almost 83% of the country (2,348,148 km^2) that includes key ecosystems are currently or will be used for production and would be exposed to the above mentioned threats if other land use frameworks are not in place. In recognition of this the General Law of the Environment (Law 25,675, 2002), through Article 10, sets up environmental land use planning (ELUP) as an environmental management policy and instrument *to guide the use of natural resources. One that allows a maximum production in each ecosystems whilst guaranteeing the minimum level of degradation and promoting social participation in decisions that are necessary for sustainable development*. ELUP is a strategic tool to organize land use and occupation and reflects priorities and the value society has assigned to different environments and to production, ecosystems and communities needs as a whole. As an environmental policy tool, ELUP is a "control and command" is a mechanism to organize activities spatially in given territory and is implemented in part through state regulations to align different sectoral interests and oversee the conflict between these to protect the common good.

14. Significant advances have been made within some specific sectors to define norms and policies to define policies and regulations that promote land use zoning and reduce environmentally "aggressive" practices. Amongst these the Federal level minimal standards set for undertaking environmental management in provinces. This is a regulatory instrument that sets the basic standards and procedures for a specific environmental mechanism or instrument and defines amongst others the process and characteristics that should be applied as a minimum in each Province. Of note are the a) National law 26,331 on Minimum Standards for the Environmental Protection of Native Forests which recognizes the services this ecosystem provides to society and creates a National Fund for the Enrichment and Conservation of Native Forests for those provinces that have forest zoning in place; b) National Law 26,639 on Minimum Standards for Glacier and Peri-glacial Environment Preservation, including strategic water resource reserves and water supplies for biodiversity protection; c) the Bill[6] on Wetlands sets minimum standards for the conservation, restoration and sustainable development of wetlands in

[6] This Bill was passed February 2016 by the Senate; it is waiting enactment by the Lower House; wetlands account for almost 21.5% of the country.

Argentina, so production activities are compatible with conservation of environmental services These all focus on specific ecosystems and do not address the mosaic of ecosystems in a landscape.

15. The new administration which came into power early 2016 has outlined a number of large scale initiatives to reactivate the economy in areas of extreme poverty and provide basic necessities to rural population whilst stimulating production in sectors such as agriculture and mining through the building of infrastructure and improvement of ports to facilitate exportation. In parallel it has raised environmental management to the Ministerial level in recognition that economic and social development needs to be promoted alongside environmental protection and sustainability. In this context dialogues between the new Ministry Sustainable Development and Environment (MDSyA) and production sectors are underway to identify common areas and agreements on best practices and ways to ensure the above said development plans progress in an environmentally adequate manner. This is an opportunity to further advance General Law of the Environment through the implementation of Article 10 on ELUP and the instruments for its effective implementation listed in Article 8 of the same Law. These instruments include amongst others environmental impact assessment; environmental information systems and an economic regime (tools and instruments) for promoting sustainable development.

16. The GoA is requesting GEF assistance through UNDP to provide incremental financing for advancing ELUP and building the instruments needed to support its implementation with the vision of establishing an operational framework through which areas in the production landscape, that are priority for conservation or combatting land degradation, can be protected from sector driven pressures. There are several baseline programmes that will provide a foundation on which to build this ELUP framework. These are summarised in the following paragraphs organized as per proposed project components. Given the early stage of the new government not all programme adjustments have been finalized thus the full costing of the below described actions will be completed during the PPG.

17. **Federal frameworks for environmental land use planning and implementation .** The recently created MAyDS will continue to invest resources to implement the NBSAP revised in 2015 which provides an effective tool to mainstream biodiversity in national policies. In addition, resources will be made available to continue developing and running data banks that provide inputs to decision making. These include the National Biodiversity Observatory (OBIO) and the National Observatory on Land Degradation and Desertification (ONDTyD). The OBIO is building a National Information System on the status of biodiversity and ecosystem services in Argentina and is becoming a reference portal for conservation data, threats and sustainable use of biodiversity. It will continue to build links with other environmental data centres and research institutes and universities. The ONDTyD will continue to build information on the status, trends and risks in land degradation and desertification to draft proposals and promote prevention, control and mitigation measures which will be used in support of public and private decision makers in Argentina and to raise awareness and inform society at large.

18. Support to systems already in place for implementing land use restrictions for example through the Protected Area System Federal will continue. These are a valuable building block for ELUP and conservation ecosystems and different levels of biodiversity but not all are effectively managed and most are subject to different pressures from production activities in their surroundings; few have made progress in the co-management of their buffer zones and there are no regulations over production activities in these. Biological corridors especially need definition for example in the transitions along altitudinal ranges such in the Yunga and Dry Chaco forests. The MAyDS will also continue to provide oversight of SLM activities and provide policy advice, technical knowledge and generate information at different scales for sound decision-making on combating desertification, land degradation and drought. This will be channelled through its National Directorate of Forestry, Land Planning and Land Use Planning and Directorate for Soil Conservation and Combat Against Desertification (DCSyLD), which is the National Focal Point Office to implement the UNCCD through the NAP.

19. Resources to support different land uses will be made available through regulatory-linked funding sources coming from the national budget and through specific sector programmes. These are allocated at the Federal Level but channelled to provinces to support changes in land use and hence relevant for all the project components. This includes resources under the Native Forest Act that provide monetary compensations to private landowners for conservation of high and medium value category forests as established by through provincial forest zoning laws. The medium value category permits land uses (such as sustainable use, tourism, gathering and scientific investigation) but there is no specific guidance for SLM or biodiversity conservation in these areas, beyond what established in forest management plans. Nor is it clear what impacts this has on neighbouring transition areas that are not forest. In 2015 approximately UD$ 24 million were allocated from this source 70% of which was applied to compensation and 30% to institutional strengthening.

20. At the sectoral level, there are relevant programmes particularly those of agriculture and livestock. Amongst these is Inclusive Rural Development Programme PRODERI under execution until 2018 and including Jujuy and Mendoza. It seeks to reduce rural poverty, diversify production, improve farm productivity, agribusiness and other rural non-agricultural economic activities. The project manual to guide investments, including those that may require EIAs, incorporates the concept of environmental protection, including climate change adaptation measures, and pilot climate insurance systems but no specific guidance for different ecosystems or land degradation prone areas. The Agricultural Services Program (PROSAP), including Mendoza, Jujuy and Buenos Aires. It is a Ministry of Agribusiness (MinAB) public investment tool, seeks to increase and improve the rural infrastructure and agriculturally-based economies of small and medium farmers and agrobusinesses. It includes actions that could provide direct benefits to combating land degradation and promotes the management and conservation of natural resources, improving efficiency of irrigation and drainage; and animal/plant health. Although it is not linked to any kind of eco-regional planning it presents opportunities for synergies with the proposed project actions.

21. INTA carries out agricultural research and extension in the entire country and maintains various updated GIS layers, including layers related to biodiversity and to agro-ecological zones. Technical and financial assistance for agriculture is also provided through there are several programs that allocate revolving funds with contributions from the MinAB. These include: a peri-urban development program under review by government and ongoing programmes such as the National Family Agriculture Programme. This provides assistance to small producers through its local network of extension staff. These are key stakeholders due to their connections with the local level and direct experience promoting techniques and carrying out training. Their full involvement in environmental land use planning would optimize the implementation of proposed new production practices in different areas and no use zones.

22. **Provincial frameworks for environmental land use planning and implementation**. At the Provincial level the implementation of laws and regulatory frameworks relevant to this project will continue to receive support through Provincial resources and those channelled through federal programmes and regulatory related funds (see above). Amongst these and are provincial frameworks such as the Provincial Territorial Strategic Plan; provincial PA laws; provincial EIA laws and forest zoning under the minimal standards set by the Federal Native Forest Law. All four of the proposed pilot provinces have these frameworks in place. In addition, Jujuy has a strategic plan for the Puna ecoregion; both Jujuy and Mendoza have Glacier Inventories in progress; and Buenos Aires and Mendoza have a provincial land use planning law. This latter is of particular relevance however in Buenos Aires the LUP is outdated (Law 8912 in 1977). Mendoza is the only province which has a Law on Land Uses and Land Use Planning with an updated approach (Law 8051/2009).

23. While all these provincial frameworks are relevant and provide a strong foundation on which to build they are largely sectoral and are enforced by provincial agencies that bear oversight expenses from budgets that are sometimes limited. Furthermore, the **Provincial** agencies responsible for land use planning and those for environmental management are not always the same. Those responsible for land use planning make decisions and have management styles that are frequently influenced by different sectors such as housing, services or infrastructure sector and limits the consideration of ecosystem aspects in enforcement criteria and instruments. Only three provinces (Mendoza, San Luis and Misiones) bring together land use planning and environment under a single agency. Moreover, the majority of the decisions on production land uses come under the jurisdiction of the Provinces and through the sub Provincial administration units, known as Departments in some Provinces or Partidas in others. The process for land use permission can originate either at the municipal or Provincial level. In some Provinces all the territory is divided into municipal areas and in these cases the management unit for land use planning is the municipality eg Buenos Aires, Jujuy y Mendoza. In others in addition to municipalities there are rural areas that depend directly on the Provincial government. In San Luis for example, 7% of the population live in rural areas outside municipal boundaries. As ecoregions and systems are not bound by geopolitical division and the impact of land uses in different municipalities across the landscape can affect ecosystem in other municipalities and Provinces. This underscores the need for standardised approaches to define priority areas for BD and SLM action and for the instruments needed to implement production restrictions and no take areas.

24. **Knowledge sharing and exchange for environmental land use planning and implementation**. A number of projects relevant to this project have been implemented in the country or are underway. These can often provide important inputs and lessons for different aspects of environmental land use planning (see section 5). In addition to support coordination between different levels of Government and sectors a number of Committees will continue to function. These include COFEMA created in 1990 as a federal meeting forum for all sub-national states (provinces and CABA) to address problems and seek solutions regarding the environment in Argentina. Its future roles in the analysis and discussion of ELUP policy and legal frameworks should be analysed, as well as its role in the necessary inter-jurisdictional coordination actions. The

National Advisory Committee for the conservation and sustainable use of Biological Diversity (CONADIBIO) was created in 1994 as the main national forum for mainstreaming biodiversity in the public policies of all State agencies. Since 2011, CONADIBIO has met regularly and will continue to do so in the baseline. This committee is made up of representatives from national and provincial governments, civil society, indigenous peoples' organizations and the scientific sector. In 2014 it blended in with the working lines of the Inter-governmental Scientific-Regulatory Platform on Biological Diversity and Ecosystem Services (IPBES). COFEPLAN, created in 2008, as a federal forum in the Ministry of the Interior, Public Works and Housing, for participation in planning, coordinating and harmonizing land use planning and zoning policies. Although this is of special relevance to the current proposal it does not prioritize environmental issues and, thus, is of a sectoral natureIn addition, COFEMA made up of representatives from the Environment Committees of each of the provincial legislatures and CABA was created in June 2016 to prepare, agree and promote common legislative policies on the environment from a federal perspective. It will also promote the update and adaptation of provincial legislation to the principles enshrined in environment international instruments ratified by Argentina, and foster debate and exchange fora with public and private institutions, universities and research agencies, both national and international.

25. **Desired long term solution and barriers**. Despite these baseline programmes more is needed to ensure a ELUP that is effective across such vast territories and to address the complex threats and sectors that are driven by strong prices in global economies. It is essential to adopt an integrated approach to ecosystem management at scales that recognise the complex spatial dimensions of the processes that drive the threats, while also mainstreaming environmental considerations into the management practices of production sectors with particular potential to generate threats to global environmental values. It also requires decision-making and planning to be based on sound information regarding the status and functioning of the ecosystems in question and the threats that affect them, as well as the nature and magnitude of the goods and services that these ecosystems generate, and the significance and value and of these goods and services for the diverse stakeholder groups and the sustainable development of production sectors. Although ELUP is recognized as a valuable means to achieve this integrated management and agree on land-use to sustain ecosystem for development management there are several constraints that hamper its effective operationalization. These barriers are summarised below.

Insufficient policy & regulatory framework and reliable information to effectively develop ELUP at national and provincial levels
Provinces have mandate over natural resources within their territory and are responsible for overseeing land use. Although some , such as Mendoza, have already made progress in establishing a legal framework for ELUP, this is missing in most provinces and existing land use planning focusing mainly on economic development, transportation, and population criteria. At the federal level standards can be defined to ensure Provinces comply with a minimum set of criteria and elements in Provincial regulations (eg the Native Forest Law), however these have not been set for ELUP nor for the tools to support its implementation The result is that even if Provinces advance ELUP legislation this is in an ad hoc manner and can set unequal standards which puts at risk ecosystems shared between provinces and hampers the achievement of national level conservation targets for different ecoregions. Instruments such as EIA do limit or reduce the impact of production sectors on the environment but these are incomplete and are sectoral or limited by specificities of each Province that can list those activities required to undertake EIA. As EIA is site-based, and thus limited to the "development project" and related sector in a specific site, it rarely assesses the effect of ecosystem service loss the production of other sectors nor considers the effects of the provision at landscape scale. This scale level is needed to appropriately consider the ecological processes on which the very sector it relies. There is a more serious aggravating factor for the agricultural sector; in most cases these activities are not governed by EIA and do not need an environmental permit. There is interest in some sectors in analysing the territory at a larger scale and seeking inter-sectoral synergies but this is hampered by poor integration of public policies and government plans between and within the various government levels (national, provincial and municipal). It also faces constraints from the low levels of awareness of the relationship between impact and loss of ecosystem services that are important for sectoral production and/or human health and wellbeing. Underpinning these constraints is the scarce and fragmented information on ecosystems and the goods and services they provide and their vulnerability to the impact of the different sectors. The OBIO, ONDTyD and UMSEF initiatives, exist as well as other information systems (e.g SIB; IAS National Information System, InBiAr, the National Parks Administration Biodiversity Information System SIB) but in most cases, the information is fragmented, outdated and does not include data on ecosystems status, vulnerability and resilience nor the values of ecosystem services to different sector production and hence the impact of their loss.
Weakness in provincial tools and instruments to approve, implement and oversee ELUP
Institutions responsible for ELUP generally operate under provincial public planning agencies. The information gaps and regulatory constraints for developing ELUP indicated in the federal level also apply to the Provinces but there are additional barriers for effective implementation and oversight. Although Provincial authorities seek to comply with responsibilities these are hampered by: a) Few staff members and scarce resources to oversee implementation particularly over the remote rural areas and large territories; b) Insufficiently clear procedures on how to conduct environmental planning; d) Insufficient mechanisms and spaces for participation, negotiation and interdisciplinary and inter-sectoral dialogue among private and public actors, to reach agreements on objectives and goals and technologies and production restrictions in priority areas; e) Insufficient awareness of the negative impacts of production on ecosystems and the services they provide to society; f) Inadequate experience at the local or provincial level on tools to facilitate ELUP implementation both through command and control approaches or through incentives that recognise losses are incurred where land uses is restricted on private land for the common good. Although there is data on various technical, economic or financial

instruments, most is based on sectors or specific ecosystems and does not reflect the economic value of the ecosystem goods and services of the different ecoregions. There is increasingly broad agreement that the benefits of ecosystem services ought to be considered in decision-making and in the design of compensation mechanisms, but development of protocols or clear methodologies is still fledgling and precise tools are needed for decision-making and for example, on compensation systems for different land uses
Dispersed knowledge & insufficient sharing of environmental management practices at provincial and interprovincial levels
The diversity of scenarios across Argentina's 23 provinces with different legal and institutional frameworks, tools and instruments, ecoregions, ecosystems, land use patterns and production sectors, provides a plethora of experiences that could provide a strong input on which to build effective and more standardised approaches to environmental management including ELUP across the country. However, this knowledge is dispersed within and across provinces. It is rarely codified to identify lesson learnt or assessed ex-post using stringent metrological approaches to evaluate cost effectiveness and efficiencies. On the one hand, this leads to repetition of ineffective of sub-optimal approaches, and, on the other, it reduces the uptake of positive experiences across larger areas and at scale. The result is that an opportunity is missed to better understand, disseminate and apply ELUP instruments in other provinces, and even across larger areas of each ecoregion and land use pattern. It also further constrains the application of ELUP in ecosystems shared by provinces that have different management models (for example, the Ramsar site wetlands of Laguna de Guanacache in the provinces of San Luis, Mendoza and San Juan). Joint management of land use between provinces is also made more complex by the limited experience of decision-makers and technical planning agencies in inter-jurisdictional environmental management of any sort. There are some experiences with ELUP of various degrees of progress in different provinces, but few have moved forward with thorough planning or have attempted to transfer these experiences. The lost opportunity to gain from the wealth of experiences nationwide in a systematic way compounds the previously describe barriers (1& 2), further impeding advances towards the long term solution

Proposed Alternative scenario with GEF, consistency with GEF Focal Area Strategies

26. The proposed GEF intervention will overcome these barriers by defining standards, systems and governance mechanisms for integrated environmental land use planning and the full development of the tools needed for its implementation. In doing so it would consolidate the past single ecosystem and sector approaches and ensure that the new development plans take into account the different ecosystems across the entire country and comply with land use guidance that confers conservation and sustainable use of critical habitats and the ecosystem goods and services they provide to society. This would ensure the continued provision of these services to production, avoid foreclosure of future development options and also the provision of global environmental benefits at scale.

27. The Project Objective is to generate multiple biodiversity and land degradation benefits by developing a system of policy, economic, financial and technical instruments and governance mechanisms for environmental land use planning (ELUP) to mainstream socioeconomic and environmental evaluation of ecosystem goods and services in decision-making, planning and sector finance allocation at different government levels**.** The intervention will adopt a three pronged approach. At the Federal level and through Component 1, the national enabling framework for environmental land use planning will be developed including updated information on environmental status and ecosystem services; criteria and standards for undertaking ELP; incentives; sectoral and economic instruments for implementation and mainstreaming into sector finance. To ensure the delivery of global environment benefits (GEB) within the life of the project and also to optimize lessons learnt for the development of the national enabling framework, and particularly instruments for implementation, in parallel through Component 2 the project will support 4 provinces to develop and test different approaches to operationalize ELUP. A third approach will be to strengthen the input of other Provinces into development of this system and enhance its uptake at scale by building a framework for replication of effective ELUP across the country.

28. This intervention strategy takes into account the country's federal structure and the supplementary nature of the national and provincial governments that own the natural resources found in their land. It also takes into account the need to work at multiple levels to address barriers driven beyond national boundaries such as market limitations; and the need to test at local levels instruments and tools that encompass a set of different ecoregions and land use modalities. To optimise the generation of GEBs the project will focus principally on 3 main sectors driving biodiversity conservation loss and land degradation, namely large scale agriculture, mining and periurban and tourism related infrastructure. The guidance, instruments and approaches to define and enforce production practices in the different land use zones to be defined in ELUP will be tailored to these sectors. In addition, ground level work to pilot these approaches will focus on ecoregions recognised for global significant biodiversity or priority in national plans to reduce land degradation and desertification. These are the High Andes, Puna, Yungas Forest Patagonian Steppe Pampas Lower Parana river ecoregion (Parana Delta & Flooded Savannas) Dry Chaco, Low Monte & High Monte. The pilot Provinces are Buenos Aires, Jujuy, San Luis and Mendoza. They were selected to represent the main challenges from the three sectors; different levels of advances in regulatory framework or on the ground experiences with ELUP-related instruments; and the presence of the target ecoregions.

Province	Table 1. Sector Problem to be piloted and ecoregion			Provincial level ELUP special focus
	Agriculture and livestock	Peri-urban Infrastructure	Mining	
Buenos Aires	- Intensive agriculture: Soya, sunflower; corn: Pampas - Cattle rearing: semi-arid & wetlands	- Urban expansion: wetlands of Parana river flood plains and coastal strip	- Not applicable	- ELUP building on PIECAS[7] LUP with 3 municipalities
Jujuy	- Sugar cane, tobacco, fruit: Yungas & Chaco Seco forests - Cattle rearing: Puna grasslands	- Peri-urban tourism: Humahuaca - Plan Belgrano: Yungas, Dry Chaco forests, Monte	- Lithium: high wetlands - Silver, zinc, tin: Puna - Iron: valleys: Yungas forest	- Complex mosaic of ecoregions 5
Mendoza	- Irrigation; in Monte & globally important wetlands	- Urban expansion: Monte, Patagonian Steppe	- Potassium and Uranium mining: Patagonian Steppe	- Province with ELUP: focus on implementation
San Luis	- Irrigation; in Monte and & globally important wetlands - Overgrazing: Chaco serrano	- Tourism development in Sierras	- Not applicable	- Joint ELUP with Mendoza: shared water resources; PA management

29. **Component 1: Federal enabling framework and strategies to reinforce ELUP, and underpin implementation in priority ecosystems to reducing pressure from key production sectors**. The project will work at the national level to develop a policy framework, strategies and regulations to promote and regulate ELUP. This will include achieving a set of agreements and commitments between the national and provincial governments to reinforce planning and ELUP; mainstreaming new decision-making tools into sectoral planning and finance allocation such as the economic appraisal of ecosystem goods and services including land degradation and desertification; and promoting inter-sectoral and inter-jurisdictional coordination to implement plans, programmes and projects related to environmental planning and ELUP.

30. One line of action will be to build existing data banks such as the OBD and ONDTyD into a consolidated environmental information system in support of the ELUP process. This will both guide work under the Component 2 and also be the receptacle of new information as this arises in the pilot Provinces. Protocols for standardizing, unifying and classifying existing databases will be developed and these will be made accessible by different jurisdictions and government levels, as well as by different stakeholders. The ELUP information system will provide a key input for better decision-making at all levels. It will include: a) links to existing databases (web, GIS, etc.); b) compiled and updated of environmental statistics; c) updated indicators for ELUP; d) GIS databases and maps for key national targets to be used in ELUP (e.g. map integrating priority areas for biodiversity (BD), land-use, land degradation (LD), environmental risks and others); e) consultation mechanisms for different users; f) risk analysis of different sectoral production activities and resultant variables or critical values to be included in sensitives areas defined in the ELUPs. A protocol and financial plan will be developed for permanently updating the information system.

31. A second line of action will be to define and agree upon ELUP criteria at the Federal level to guide on-going and future processes in the Provinces and provide the minimal standards that will be regulated through Law for ELUP in provinces. This will include SLM and BD conservation and ecosystem services (ES) valuation criteria for defining different land-use zones and production practice restrictions in priority areas. Working in close coordination with results from Component 2 and 3, through Component 1 the project will support the national framework for procedures and instruments and tools to be used at different levels to define and implement ELUP. Through round tables, dialogues and forums these instruments and approaches will be discussed with and standardized by the main sectors. They will include criteria and standards for biodiversity and ecosystem services management, land conservation, and protected areas as a basis for ELUP. They will also include Guidelines for EIA by sector and ecosystem type including the potential restrictions that could be defined for priority sites for conservation or combatting land degradation in each ecoregion. Specific emphasis will be placed on the 3 target production sectors and on mainstreaming these guidelines into relevant sectoral programmes that channel resources to provinces for supporting production. Incorporating regulations for adoption of specific production practices in these Federal Programmes will further enhance implementation of land use restriction defined in Provincial ELUP. The project will also support Federal level actions needed in terms of regulation or standardisation of new tools and instruments as the result of piloting and evaluation indicate. One of these is likely to be compensation schemes. To complete this framework, the project will also support the drafting of a regulatory proposal on ELUP that establishes common principles and minimum or essential ELUP standards for all provinces, upon which they can regulate with at least the same of high levels of stringency. The end result will be a public policy framework and strategies to reinforce ELUP as a State instrument to mainstream environmental, social and economic variables in development planning and sector finance.

32. **Component 2: Application of ELUP procedures and instruments in Pilot Provinces.** This component will support development ELUP in different ecoregions of the four selected provinces, validating different approaches to adjust production practices needed to deliver increased BD conservation and reduce LD in locations prioritised to protect vital ecosystem and their services. This includes building the ELUP governance framework to plan, agree upon and implement

land use restrictions in these key locations; validating and applying a set of instruments and production practices to enhance compliance with ELUP and define sector practice limits and production guidance for each zone; and strengthening surveillance and oversight to promote the uptake of the newly defined production practices by sectoral and civil society stakeholders. Action will cover different spatial areas: Output 2.1at Provincial level; Output 2.2 at pilot landscape level (including several municipalities but not the entire Province (t.b.d in PPG); and Outputs 2.3 and 2.4 at specific sites in the landscape to validate ELUP instruments and production practices to be set for each land use zone.

33. Through Output 2.1, the project would support actions to strengthened the Provincial regulatory framework to define and make ELUP operational. This would include building on existing land use planning and sectoral land use planning instruments and integrate them into the future ELUP regulations: (i) in all pilot provinces build on the forest zoning and define priority connecting corridors between Category I and II forests where through ELUP additional instruments may be required to reduce forest degradation and/or conserve other ecosystem types (grasslands) to enable conservation at landscape level or reduce land degradation process; (ii) In Mendoza and Jujuy build on the Glacier Law, defining priority areas in high mountain ecoregions that would be incorporated into ELUP and identify instruments to be tested through Output 2.3 in the mining sector; (iii) in all pilot Provinces areas surrounding existing PAs would be included in the ELUP procedures as a priority. Here the project would support the identification of areas where SLM guidance is needed to reduce LD and specific production practices restricted to reduce encroachment tin core conservation zones. It may also identify additional areas where public or private PAs are needed to ensure conservation of priority areas in particularly sensitive areas. A second aspect would be to support the drafting of provincial and/or municipal ELUP rules and proposals of technical, economic and financial criteria, methods, procedures and instruments. As an input to this an analysis of alternative strategies (e.g. incentives, fines) will be undertaken to identify "best-bet" approaches for internalizing flows of costs and benefits resulting from environmental management, balancing the levels of potential income from fines against the economic value of the environmental impacts avoided, and the levels of expenditure on incentives against the economic value of the environmental benefits potentially generated, as well as the administration costs of the mechanisms. In addition, an analysis will determine the effectiveness of valuation-based decision-making, planning and management instruments, based on the results of monitoring of corresponding uptake of resource management practices and their implications for ecosystem conditions (Component 3). The project will also explore the concept of environmental accounting to be applied at the Provincial level and in individual sectors and businesses as a guide to decision making and policy formulation.

34.In recognition that multiple stakeholders are needed for ELUP the project will pilot mechanisms for inter-institutional stakeholders and for multi-sectoral decision-making this will facilitate the ELUP process and ensure stakeholder participation and buy in. Fora will include discussion of ELUP process and training of provincial staff and relevant stakeholders in issues such as: land use planning, landscape approach roles and responsibilities in ELUP and legal frameworks. This will allow for horizontal coordination (between institutions of the same government level) and vertical (between national, provincial and municipal levels) in ELUP processes and facilitate implementation through enhanced coordination joint planning and implementation of ELUP policies. Moreover, strengthened coordination between local communities, governments will improve efforts in generating broader participation in monitoring and surveillance and to support sustainable production. Communication and support materials to raise awareness about ELUP and about the economic value of ecosystem goods and services.

35. At least one platform will focus specifically on one sector; to be confirmed in the PPG the proposal is to start with soy or meat. This sector platform will constitute the mechanism to convene and coordinate the public and private sector stakeholders to promote sustainable production; to define potential approaches and policies for complying with ELUP in priority areas; and to reach agreement on possible instruments and minimal standards e.g. sowing methods, reduced agro-chemicals (fertilizers, insecticides, fungicides and herbicides) etc. In recognition that land use change faces market barriers beyond the specific site of production, the sector platform will support promoting sustainable products from Argentina at international level through a marketing and outreach program that will help advertise a differentiated approach to production in vulnerable environmental areas. Pursuant to PPG discussions, establishment of the platforms will build upon UNDP´s experience developing Commodity Platforms under its Green Commodities Program, providing lessons learned and guidelines to facilitate multi-stakeholder dialogue and providing the expertise and analysis to scale up action to other areas of the country. Coordination will be made with similar supply chain approaches to commodities supported through GEF funds in other countries in the region such as Brazil, Paraguay, Peru and Ecuador.

36. Through Output 2.3 ground level work will be supported to develop decision-making instruments to facilitate ELUP in pilot provinces in target landscapes selected in accordance with conditions and scale needed for each instrument and also to optimize the generation of GEBs. A first set of instruments are those needed to define ELUP and the respective types of

land use restriction for specific locations. Pending confirmation and detail in the PPG, these include methodologies to assess the valuation of ecosystem goods and service and scenario analysis in different ecoregions and landuses, to provide decision makers with the implications of different courses of action affecting natural resources and global environmental values. These analyses will draw on different methodologies including amongst other the Targeted Scenario Analysis that looks at tradeoff in specific landscapes and sectors under different production practices. It will also include assessment of the influence on these sector practices on the ecosystem goods and services under alternative macroeconomic and climate change scenarios. This is particularly important for the high mountain ecosystems that are more prone to climate change. Careful coordination will be made with ex-post evaluations in Component 3 and from projects such as the UNDP-GEF funded PES project in Argentina that has developed a series of land use scenarios as a basis to determine differential payments under the native forest law. In addition to the economic valuation of ecosystem services and trade off scenarios, methodologies for evaluation of ecosystem functions will be undertaken to further determine priority areas for conservation based on ecosystem values and or vulnerability.

37. A second group of instruments will be tested to implement ELUP and its related land use restrictions. These are command and control instruments to deterrent incompliance with established land use zones; and incentives for transitions to new production practices or new approaches. They also include instruments to compensate for opportunity costs for land owner that are required to reduce or change production in areas designated in ELUP for strict conservation of biodiversity or those where extreme measures are needed to for reduce land degradation. See below ELUP instrument to be implemented at ground level, pursuant to local realities and further studies in the PPG stage.

Command and Control instruments for application of production practices in restricted areas defined through ELUP
(i) *Environmental impact assessments* procedures tailored to different landuse zones to measure impacts, increase objectivity and relevance in reporting to decision makers, and to design production alternatives and mitigation measures aligned the land use zone. This will build on the findings of scenario analysis and valuation of ES-GS. Specific focus will be on the mining (provisionally in Mendoza & Jujuy), and tourism and peri urban development in Buenos Aires. The potential application of EIA to agriculture will also be explored. The findings would feed into Provincial and Federal EIA regulations. (ii) *Fines* (including for incompliance of land use restriction and for contamination of priority areas). Ground level work to determine the different levels of fines to deter incompliance of ELUP regulations by land owners. Particular emphasis would be on the mining sector where fines have been ineffective until the recent fine on Barrick Gold of USD 10million for cyanide spills to a river. This would draw on the results of ES-GS valuation and on studies to better cost mitigations and restoration actions. In addition to improving the system of fines this work would also fed into compensation works. (iii) *Surveillance and oversight*: procedures to improve Provincial institution oversight throughout the entire chain, including efficient processes for EIA review and approval to determine compliance with ELUP requirements and new standards; and effective systems for collection of fines and taxes related to production. In addition, approaches to include a broader range of stakeholders in oversight will be explored such as piloting a cell based monitoring system open to the public (iv) *Funding restrictions:* identification and testing of linking ELUP land-use zoning compliance to funding sources for production. This could include systems through which bank credit approval require the credit applicant to declare location as per land-use zone. Some Banks (eg the private Banco Galicia) already shows interest in funding environmental friendly procedures and could thus be open to working to reduce negative practices. Coordination would be sought with work at the Federal level in Component 1 that seeks to also mainstream ELUP protocols in national programmes that channel resources to provinces for production (v) *Environmental insurance*: strengthen requirements for insurance against the risk of the generation of environmental impacts for potentially dangerous activities such as mining; ensuring that the premia and sums insured reflect the magnitude of the potential impacts on ecosystems and the goods and services that they provided (determined in part through ecosystem valuation).
Incentives for changing land use in areas defined as priority in ELUP
(i) *Differential technical support and funding:* Mainstream ELUP zoning and its related production recommendations into different farm and off farm technical support by the Min. Agriculture and in programmes supporting agricultural regional economies (ii) *Duty exemptions and Tax incentives*: working through the different levels of institutions and sectors to link environmental sustainability of production practices and location in ELUP zoning as criteria in different incentive programmes currently supported by government e.g incentives for agricultural machinery (Min.Industry, Federal Revenue Agency - AFIP), sector incentives sector such as mining production; innovation and technological development incentives and those for employment and promoting export (iii) *Soft Loans*: to link environmental sustainability of production practices and applicant's location in ELUP zoning as criteria for prioritizing credit and favourable conditions in relevant credit existing systems such as for example the Banco Galicia sustainable productions; National Bank tourist credit; Investment and Trade Bank tourism and regional production infrastructure credit etc. (iv) *Fiscal instruments*: Supporting the testing of favourable tax scales to promote the uptake more sustainable production practices in priority areas such as buffer zones of protected areas or ecological corridors. (v) *Compensation schemes such as habitat banking*. reviewing existing compensation mechanism in the mining sector whereby companies are required to acquire land for protection that later comes under the management of the federal or provincial protected areas system and validating the most successful approaches. Under component 3 an analysis will be undertaken of the effectiveness of this across different provinces in the country and based on this a new approach will be pilot in Jujuy.

38. A fourth line of action would be the validation and assessment of production and environmental viability of management practices with potential to reduce threats and optimize the flows of ecosystem goods and services in areas identified as priority for biodiversity conservation and reduction of LD. These would provide costs and efficiency data to guide the definition of production practice restriction in priority areas and feed into the regulatory framework being defined in 2.1. These demonstrations would take into account the results of ecosystem valuations and economic evaluations and the potential implications of changes in macroeconomic and climatic conditions developed in output 2.1. Subject to the results of PPG studies, practices to be piloted may include, for example: agroforestry and silvopastoral systems, aimed at reducing the impacts of grazing on grasslands; supporting livestock farming with native species (Camelids or vicunas) to replace or complement traditional sheep farming reducing land degradation; piloting non-timber uses of native forests to reduce forest degradation and optimise multiple benefits ; sustainable tourism and nature tourism practices as an alternative to mass tourism; the use of natural wind breaks and terracing in soya production to reduce soil erosion and BD loss; the use of riparian vegetation restoration with native species and reduced use of agrochemicals to reduce the degradation of water quality and biodiversity losses in river sources; more efficient irrigation approaches to reduce water stress and biodiversity loss in wetlands. Careful coordination would be made results of relevant on-going SLM and BD projects. (see section 5).

39. **Component 3: Replicability framework for ELUP uptake in all Argentine provinces.** To optimize the development of the ELUP process and increase the uptake across the country the third pillar of the project will support a broader analysis of experiences throughout the country; the strengthening of mechanisms for monitoring and knowledge management and sharing between provinces; and a targeted capacity building programme to drive replication of the pilot Provinces experiences. The first line of action the project will support the definition of an optimal mix of instruments to implement land use zoning and related requirements for sector production. This will include ex-ante and ex-post assessments of project and programmes in non-pilot Provinces that have applied ELUP and related instruments or innovative instruments for addressing the various causes of environmental degradation. The findings will be evaluated and systematized according to efficiencies and outcomes, lessons learnt for eco-regional, social and typology-based land use/land use systems. They will be used as inputs to federal level regulations (component 1 and to the capacity building programme). The second line of action is a programme for strengthening provincial institutions (intra and inter-provincial) to carry out ELUP. Different provinces will take the protagonist roles leading sessions and knowhow according to their strengths. It will include: a) Fora for presenting and discussing ELUP processes, biodiversity conservation and ecosystem criteria, policies, strategies, methodologies, instruments and practices in different ecosystems; b) exchange of lessons learned to make ELUP operational in the different pilot provinces and ecoregions, according to their ecosystem characteristics, problems, drivers, barriers, typology of social actors involved, and typology of land use and occupation; and c) targeted support to strengthen political and regulatory frameworks in different provinces to implement ELUP. The availability of methodologies, proven in different ecoregions, on the application of economic and financial instruments to evaluate ecosystem services and their consideration in ELUP will entail a significant step forward for decision-making in various sectors and government levels.

40. In parallel, a monitoring and evaluation programme of expected objectives in each pilot case and at the national level will be established through a set of indicators to identify changes in policies, regulations, governance and land use linked to the ELUP process. This will serve both for the project monitoring and to build a results framework and to generate knowledge for continuous learning. Good practices and lessons learned will be disseminated to a broader range of stakeholders through communication channels such as websites, information networks, fora and publications, among others, to support the implementation of similar projects in the region. The COFEMA, CONADIBIO, COFEPLAN and the recently created Federal Legislative Council for the Environment (COFELMA) will also serve as a conduit for replication of best practices and for management, dialogue and consensus building at the federal level to implement ELUP.

41. **Alignment with GEF strategi**es: The GoA is committed to the long-term mainstreaming of BD conservation and SLM in production practices across the country and views ELUP as an important step in this process. This project is pivotal in making ELUP operational. It will support federal and provincial governance frameworks for ELUP, mainstream ELUP mechanisms into sector programmes and regulatory systems focusing on agriculture, mining and peri-urban/tourism infrastructure; and apply instruments for implementation of new production practices in landscapes that harbor important habitat blocks of various sizes and eco-region on production lands. By piloting ELUP process to identify priority habitats and apply instruments to adapt the different production practices in priority areas, it will deliver increased conservation to a range of species and sites with globally recognized significance. See table 3 for details. In doing this, the project will synergistically address two GEF-6 focal areas and 4 programmes described below. It is also in alignment with Aichi Targets helping Argentina responds to Aichi Targets SG A Targets 1, 2, 3, 4, 7, and 14 and the Sustainable Development Goals particularly Goal 15 Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss: also indirectly it contributes to SDG 8 through conservation of ecosystem services essential for economic growth.

42. **BD** 4 mainstreaming biodiversity conservation and sustainable use into production landscapes and production sectors: (i) The project is aligned with P9*:* Managing the Human-Biodiversity Interface as it will incorporate BD conservation and sustainable use concerns in 3 sectors that drive biodiversity loss in Argentina through: *spatial and land-use planning* to ensure that land and resource use is appropriately situated to maximize production without undermining or degrading biodiversity ; *developing policy and regulatory frameworks* that provide incentives for biodiversity-friendly land and resource use that remains productive but that does not degrade biodiversity; and *improving production practices* to be more biodiversity friendly with a focus on sectors that have significant biodiversity impacts. (ii) It is aligned to P10 Integration of Biodiversity and Ecosystem Services into Development and Finance Planning, as it will address the mismatch between valuation and development policy and financing. It will apply valuation and trade off scenarios analysis in areas identified as priority for BD conservation and combatting LD to determine the impacts of different production practices in 3 sectors. It will use these to define land use restriction in these zones and test a mix of instruments for their implementation including financial instruments (fiscal, credit etc). Policy and sector finance and planning frameworks will be defined at the national level through Component 1 to set the minimum standards for the application of these approaches in all the states across the nation thereby lifting to scale the development of policy reforms and public and private finance flows needed to mitigate the drivers of BD loss and triggering changes on the scale necessary to address threats. In terms of LD-3 P4: the project through ELUP will support and integrated planning at land scale level to reduce pressure on natural resources by managing competing land uses in broader landscapes encourage the systematic uptake of good land management practices and technologies by producers within priority areas to reduce land degradation and rehabilitate forest blocks where this is necessary. The project will seek to ensure connectivity between existing land set-asides and larger habitat blocks as needed to maintain functional connectivity within the landscape. By mainstreaming SLM concerns into sector frameworks through innovative mechanisms, legal and regulatory frameworks the Project also is aligned with Programme 5: Mainstreaming Sustainable Land Management (SLM) in development.

Incremental Reasoning and Global Environment Benefits: Table 2

Current Practices	Alternative Practices proposed for the Project	Expected Global Benefits
National and Pilot Provinces		
▪Land use planning is incomplete, focused on specific ecosystems (such as native forests), or is sectoral (transport and others). ▪Mostly the location and typologies of farming activities are not determined by land use planning. ▪Territorial planning does not consider ES & their value, & is conducted from sectoral perspectives. ▪Stakeholders from different sectors do not recognize synergetic impact on their activities. ▪Limited scope of regulatory tools for location of production activities. EIA is applied at the provincial level but does not include farming uses	▪Strengthening national and provincial frameworks & capacities for ELUP. ▪Drafting and agreeing on proposals for national & provincial legal frameworks, regulating ELUP in land-use and production sector management. ▪Mainstreaming ecosystem approach, ES valuation, economic & financial instruments into development and sector planning and finance ▪Supporting ELUP in 4 provincial landscapes and ES valuation at least four ecoregions. ▪Validating ELUP instruments: prioritizing areas & practices (scenarios analysis); compliance (fines & EIA standards); incentives (differential technical support, soft credit); and compensation mechanisms	Conflict prevention between competing land uses in areas of high conservation value in production landscapes confers benefits to: ▪Argentine Espinal 6.74 million ha ▪Dry Chaco 3.64million ha ▪Low Monte 9.06million ha ▪High Andes 4.23million ha ▪High Monte 0.519million ha ▪Puna 2.70million ha ▪Yungas Forest 0.80million ha ▪Patagonian Steppe 3.05million ha ▪Parana Delta /Flooded Savannas 0.32 m ha ▪Pampa 27.26million ha
Buenos Aires Province: 30,757,100 ha: 3 ecoregions; Espinal (3,006,100ha), Pampas (27,263,700ha), Valuable Grassland Areas (VGA). Parana Delta and Flooded Savannas (320,900ha)		
▪Expansion intensive agriculture production (soya beef) in high BD value wetlands, native grasslands & forests; high use of machinery and agro-toxics driving LD in semi-arid areas and species loss ▪Expansion of urbanization in wetland areas (river delta, valleys) and coastal ecosystems (beaches, coastal dunes), causing fragmentation, LD, coast erosion and contamination impacting BD &ES ▪Competing land-uses between human settlements and agro-systems in per-iurban areas causes LD and BD /ES loss	▪Validating best practices in agro-industrial crops, soy (wind breaks, agrochemical limits near water-courses & sensitive ecosystems). ▪ Sustainable livestock practices in sensitive areas (stock reduction, rotation, silvopastoral) ▪Zoning priority wetlands and coastal habitats for urban expansion and tourism restrictions. ▪Implementing best practices for agro-ecological activities in transition peri-urban ▪ Reinforcement of PIECAS[7] at the local and inter-jurisdictional level for ELUP	▪Pampas: SLM and reduced pressure on VGAs within **272,637 ha and in** Coastal ecosystems; pressure from tourist and urban uses reduced in 180,000 ha reducing LD, increasing BD conservation and optimizing sustainable productivity (agro-ecology) in the urban-rural interfaces near two towns**.** ▪Flooded Savanna: reduced pressure of urban expansion within 3,209 ha
Jujuy Province: 5,321,900 ha: 5 ecoregions. High Andes (1,157,900ha), High Monte (148,700ha), Yungas Forest (809,700ha), Dry Chaco (505,000 ha), Puna (2,704,700 ha) represents 31.3% of Puna cover in country		
▪Extractive mining practices cause land, water degradation and conflicts related to waste, water use, runoff, displacement of indigenous peoples.	▪Identification of zones for mining restrictions (those near areas important for conservation) ▪Implementation of best practices for mining, particularly in connection with water	▪Puna: Mining pressure reduced in priority conservation areas within **27,047 ha & 42,324 ha** High Andes

[7] Spanish acronym for "Comprehensive Strategic Plan for Conservation and Sustainable use of the Parana Delta."

Current Practices	Alternative Practices proposed for the Project	Expected Global Benefits
▪Large-scale infrastructure linked to tourism and mining production causes forest degradation. ▪Expansion of farming into grassland and native forest and poor practices causes LD desertification processes and loss of species. ▪Deficiencies in the integrated management of the Quebrada de Humahuaca World Heritage Site.	▪Supporting SEA to improve siting of tourism & mining infrastructure corridors and tailoring Provincial EIA legislation for mining activities including ES values. ▪Implementation of best practices in agriculture in agro-industrial crops such as soy. ▪ Improving World Heritage Site management to face pressures from increasing tourism.	▪Yungas Forest: deforestation & degradation reduced due to large-scale infrastructure restrictions in categories II/III (Forest Law) within **8,097 ha** High Monte: Tourism impact reduced in endemic spp. habitat within **5,192 ha** ▪Dry Chaco: Agricultural encroachment reduced in habitats with declining species populations within **36,412 ha**
San Luis Province: 7,674,800 ha: 3 ecoregions Dry Chaco (3,136,200 ha), Low Monte (692,600 ha) and Espinal (3,735,90ha)		
▪Overgrazing, fire and expanding agriculture causes grassland and forest degradation and LD eg soil erosion, salinization ▪Extractive mining practices cause land, water degradation and conflicts related to waste, water use, runoff mining practices	▪Implementation of best practices in agriculture (especially crops such as soy). ▪Sustainable livestock stocking rate management in sensitive areas (e.g. reduction, rotation, silvo-pastoral agro-forestry, etc.). ▪Validating SLM practices in priority zones.	▪Dry Chaco, reduced e pressure from the expansion agriculture In 31,362 hectares ▪Low Monte of in 6,926 ha overgrazing, fire and hill forest clearing pressures are reduced. ▪Espinal: forest clearing for conversion to agriculture reduced within 37,359 ha
Mendoza Province: 14,882,700 ha: High Monte (370,500 ha), Low Monte (8,371,900 ha), Patagonian Steppe (3,059,000ha);High Andes (3,074,500 ha)		
▪Overgrazing & settlements impacts wetlands meadows & mallines & degraded LD & water. ▪Irrigation based production with high water extraction and poor drainage caused water stress degradation of aquifers; and salinization of soil ▪High levels of agrochemical use due to LD further contaminates land and aquifers ▪Urban expansion (M-Metropolitan Area) leading to LD risks in Monte & Patagonia Steppe. ▪Provincial ELUP incomplete; EIA do not consider the value of ecosystems and their ES; Inter-jurisdictional conflicts on shared water resource.	▪Sustainable livestock management in sensitive areas (e.g. stocking reduction, rotation, silvo-pastoral agro-forestry, etc.). ▪Implementation of best practices in irrigation and agriculture & agrochemical-use control near watercourses and sensitive ecosystems. ▪Design of buffer zones near wetlands to be subject to land use and production practice restriction. ▪ Piloting Provincial joint management of shared ecosystems (e.g.: joint management experience of Ramsar site wetlands of Laguna de Huanacache in the provinces of Mendoza and San Juan).	▪High Monte & Low Monte improved livestock rearing are reducing fires and LD within 3,705 ha & 83,719 ha resp. ▪Patagonian Steppe reduced vegetation loss from overgrazing within 30,590 ha ▪High Andes reduced mining pressure and the alteration of wet meadows and mallines due to grazing are reduced within 30,745 ha

Percentage of National Area of each Ecoregion that will be benefitted and examples of Species: Table 3

Target ecoregions	Inter - national sites	% of national cover	Examples of species benefitted
Espinal*	LD: **High**	22.7	Reduced pressures on relict populations of endangered species facing conservation problems such as the Pampas deer -*Ozotoceros bezoarticus*- and the yellow cardinal -*Gubernatrix cristata*
Dry Chaco Forest*	LD: **High**	7.4	Species with dwindling populations such as jaguar -*Panthera onca*-, giant armadillo -*Priodontes maximus*-, white-lipped peccary -*Tayassu pecari*-, giant anteater -*Myrmecophaga tridactyla*.
Low Monte *	LD: **High**; 1 RB; 2 RS	25.7	Fragile ecosystems with endemic flora and fauna with various degrees of endangerment; pressures reduced on shrubs and steppes and their related fauna (Andean fox -*Lycalopex culpaeus*-, Molina's Hog-nosed Skunk -*Conepatus chinga*-, common yellow-toothed cavy -*Galea musteloides*
High Andes*	1 RS site	29.6	Andean condor -*Vultur gryphus*- lives, pressure will be reduced on species such as the guanacos -*Lama guanicoe*
High Monte	1 WHS	4.5	Fragile ecosystems, with land degradation and desertification risks: benefits to wild fauna (golden lancehead -*Bothrops ammodytoides*-, Amazon false coral snake -*Oxyrhopus rhombifer*-, burrowing parrot -*Cyanoliseus patagonus*-, puma -*Puma concolor*-), and also on endemic fauna and flora
Puna** High Andes lakes**	1 BR 1 RS 1 SHAP	31.3	Andean cat -*Leopardus jacobita*-, Lesser Rhea -*Pterocnemia pennata*-, puma -*Puma concolor*- Andean condor -*Vultur gryphus*-), wetland bird congregations such as the Chilean flamenco -*Phoenicopterus chilensis*-, Andean flamingo -*Phoenicoparrus andinus*-, Puna flamingo -*Phoenicoparrus jamesi*- and the horned coot -*Fulica cornuta*-) Andean fox -*Lycalopex culpaeus*-, puma –*Puma concolor*-, amphibians and invertebrates.
Yungas Forest **	1 BR	17.4	Important flora: trees e.g palo blanco *Calycophyllum multiflorum*, palo amarillo *Phyllostylon rhamnoides,* pink lapacho *Handroanthus impetiginosus*- and endangered fauna: jaguar *Panthera onca*, lowland tapir *Tapirus terrestris*, N. Andean Deer *Hippocamelus antisensis*, solitary eagle *Buteogallus solitarius*, Chaco eagle *Buteogallus coronatu*
Patagonian Steppe **	**Moderat e** LD	5.7	Threatened spp macá tobiano *Podiceps gallardoi*); endemic spp. reptiles *Diplolaemus* genus); restricted distribution sp Somuncura frog-*Somuncuria somuncurensis*
Parana Delta **	1BR 1RS	6.7	Reduced pressure on wetlands benefits wild fauna eg Marsh Deer -*Blastocerus dichotomus*-, Dusky-Legged Guan -*Penelope obscura*-, long-tailed otter - *Lontra longicaudis*- and Geoffroy's Cat -*Leopardus geoffroyi*
Pampa**	3 RBs; 2 RS	69.6	Endangered pampas deer *Ozotoceros bezoarticus*-; ruddy-headed goose -*Chloephaga rubidiceps*- and the Swainson's hawk -*Buteo swainsoni*-migratory birds, the endangered species Pampas Meadowlark -*Sturnella defilippii*-).
Coastal ecosystems	NA	NA	Reduced LD protects dune ecosystems and the habitats of species important for conservation eg spotted tree iguana -*Liolaemus multimaculatus*-, Southern tuco-tuco -*Ctenomys australis*-, black-and-white monjita -*Xolmis dominicanus*-, Olrog's Gull -*Larus atlanticus*-, Magellanic Plover -*Pluvianellus socialis* migratory shorebirds

* Land degradation Priority; ** Globally designated site: RS= Ramsar site; BR= Biosphere reserve; VGA= Valuable Grassland Area

43. **Innovation, sustainability and replicability potential.** This project is innovative in a number of aspects. It represents the first time Argentina takes a comprehensive and integrated approach to the development of technical, economic and

financial instruments for advancing ELUP and the use of this to mainstream biodiversity conservation and land degradation approaches into policy and finance frameworks at national and provincial levels in the country. It also takes an innovative approach to piloting in Provinces a multi-focal approach that recognises the multiplicity and interrelatedness of the environmental goods and services provided by natural ecosystems and production landscapes. This includes appraising ecosystem services and scenario assessment under different production modalities in a country where valuations and sector scenarios analysis experience in the environment is incipient. Further innovations are the stakeholder forums for dialogue, supporting a framework for knowledge management and replication across the country, and institutional strengthening and communication strategies in which the Provinces play a protagonist role. By making ELUP operational in such a vast country under Federal regime, the project provides an innovative approach to improving the effectiveness of environmental management in satisfying conflicting priorities and stakeholder interests, and in improved decision-making based on objective and transparent economic valuation of ecosystems and the implications of alternative management scenarios.

44. The sustainability of the project is linked to the creation of a regulatory frameworks that mainstream ELUP process and instruments into key sectors and financial programmes and financial mechanisms that underpin these. Instruments will be developed that use both command and control approaches and incentives and innovative such as those targeted to generating economic and financial options to include the value of ecosystem services in negotiation and planning processes. In addition to the preparation of a policy framework and a legal and institutional proposal for ELUP sustainability will also be incurred through the building of "dialogue groups" between different government and civil society actors to coordinate points of view, interests and competing forms of production. The project has a high potential for replicability. The project is designed to be scaled up within Argentina after the initial demonstration in pilot Provinces. A framework for replicability within Argentina is already built into the project through Component 3.

2. Stakeholders. Will project design include the participation of relevant stakeholders from civil society organizations (yes X / and indigenous peoples (yes X

Stakeholders	Relevant Roles / Participation in project preparation
National Level	
Ministry of the Environment and Sustainable Development	MAyDS will be the National Executing Agency in collaboration with provinces. It is responsible for developing and implementing national environmental policies and is the enforcement authority for the General Environment Law and Minimum Standards Law. It coordinates national environment policies impact related national strategies, including ELUP.
National Institute of Agricultural Technology (INTA)	This is a state decentralized agency that is operationally and financially self-sufficient, and reports to the Ministry of Agro-industry. It carries out technological research and innovation actions within value chains, regions and territories to improve the competitiveness and sustainable rural development. Its significant presence across the country and its technical capabilities will be of utmost importance to develop and apply innovative instruments and to develop ELUP.
Federal Environment Council - COFEMA	COFEMA is a federal forum made up of provincial environmental authorities. Its objectives are to coordinate regional and national environment management programmes and strategies, favouring agreement on policies as a permanent form of action, with all government sectors involved in solving environmental issues; to formulate policies that favour a conservation-based use of environmental resources; and to promote growth and economic development planning that takes into account social equality in harmony with the environment.
Local and Provincial Levels	
Provincial Governments of Buenos Aires, Jujuy, Mendoza, San Luis.	The pertinent institutions with environmental mandate and ELUP will play an active role in the project and will be responsible for supervising the project in each one's jurisdiction to ensure the channelling of co-financing funds an coordination and execution. These institutions hold responsibility for, *inter alia*, planning, the environment and productive sectors.
Local Governments	These will be key in selecting and implementing the pilot cases, promoting an effective ELUP approach in each of their jurisdictions, cooperating with dispute settlement as regards use, and facilitating dialogue among the parties.
Local Communities	As end project beneficiaries, the local communities in all four provinces will be strongly involved in local planning and implementing of ELUP, in the application of related instruments and will provide feedback on important technical and policy proposals at provincial and national levels.
Grassroots	This group of stakeholders includes rural producers, NGOs, Co-ops, and Farmer Associations, Professional Associations, etc. They will participate in activities such as the multi-sectoral dialogue platforms, the development of SLM practices, conservation of ES, BD and ELUP practices. Their role will be important in replicating good ELUP practices
Indigenous Peoples	INDEC has identified the location of members of the indigenous peoples in the four selected provinces. The lowest number can be found in Buenos Aires and the largest in Jujuy province, particularly in rural environments. They will be especially considered in the pilot cases, ensuring appropriate information, communication and participation procedures.

3. Gender equality; women's empowerment. Are gender-equality & women-empowerment matters taken into account? **Yes**

45. Women and men play important but differentiated roles in biodiversity management, use, and conservation while satisfying their various livelihood requirements that in many cases are highly dependent on biodiversity and ecosystem services. Women often take the lead in the selection and improvement of local production and in more remote areas and

they possess extensive knowledge of their location and characteristics. The project recognizes that roles for women and men in natural resource management are different. The project also appreciates the importance of participation of and consideration of gender issues in project design and implementation. In this regard the project will develop a gender mainstream plan based on detailed gender analysis to be carried out during the PPG. Additionally, gender balance will be taken in to account in engaging the project team, the Steering Committee and multi-sectoral, multi-stakeholder committees. Also during project preparation and its subsequent implementation, the gender perspective will be considered in identifying key stakeholders for setting up Dialogue Groups and different participation fora, as well as in selecting, planning and developing ELUP pilot cases in the provinces, and also in designing and applying the different instruments for assessing ecosystem services, and in discussing changes in the practices of productive sectors in environmentally sensitive areas. One of the main objectives of ELUP is to ensure that current and future environmental services linked to the living conditions of the communities, their livelihood and other resources, as well as their housing are kept in place. In this regard, the most vulnerable are the rural poor, particularly those households headed by women, in which girls are frequently the most exposed. Furthermore, in many cases the role of women in economic and rural activities is key, although frequently undervalued and must thus be taken into account when preparing and implementing the project.

46. **Risks**. Table identifying risks, the importance attached to each one, and the proposed measures

Risk	Rating	Proposed measures to address risks
No medium or long term implementation of land use changes agreed upon in the initial ELUP	High	Continuity of the ELUP process and prevention of competing uses shall be based on: a) long-term consolidation of an ELUP regulatory framework; b) ongoing management by the enforcement authority, initially strengthened as a result of the project and supported by ELUP policies agreed upon by consensus and accepted by different actors; c) monitoring and follow-up system (for instance, through the National Observatory on ELUP) to identify critical diversions from the ELUP process in the medium and long run, and proposed corrective measures; d) ongoing dissemination of good practices and lessons learned for continuous improvement; e) institutionalization of economic and financial instruments linked to ELUP and their mainstreaming in the management and finance framework of the pertinent government sectors.
Difficulties to keep ELUP in place including the sustainable use of ecosystems vis-à-vis future market changes	Medium	Potential pressure of future land use changes in response to changes in economic and trade contexts (for instance, changes in commodity prices) could be offset based on: a) use of "Dialogue Groups" to coordinate new production interests and demands; b) facilitation and incentives to maintain sustainable and compatibles uses, by applying innovative economic and financial instruments; c) support of responsible authorities to keep the achieved ELUP in place or seek a new ELUP based on the new contextual conditions.
Modification of land use suitability due to climate change	Medium	Permanent monitoring of ecosystem services and different related land uses, together with reinforced, more efficient institutions will lead to a flexible and adjustable ELUP management model that will help to increase resilience to climate change.
ELUP project abandoned as a result of political changes at different levels (national, provincial and municipal)	Low / Medium	Project's capacity to resist political changes is grounded on the following: a) focusing on sustainable development objectives to increase the capabilities of MAyDS and provincial governments to generate environmental benefits and reduce problems with competing uses through ELUP; b) building a policy framework agreed upon by consensus between MAyDS and provincial governments; c) setting up "dialogue groups" of government and civil society actors to ensure the relevance of ELUP decisions and their consistency with local priorities; d) ensuring the commitment of private productive sectors will survive any changes in the public sector when there is a change in administration.
Reduced ELUP efficiency due to lack of political support and weak institutional management	Low/ Medium	Continuity of ELUP Project will be ensured as follows: a) General Environment Law which ensures the validity of ELUP as an environmental management instrument; b) elimination through the project of current barriers limiting the capability of the state agencies in charge of ELUP; c) strengthening of inter-institutional coordination mechanisms; d) different government institutions will be involved in the project, thus reinforcing their commitment and participation; e) strengthening of institutional capabilities.
Economic activity such as farming, harvesting and grazing may be restricted in some areas could have an opportunity cost to small-scale producers and in one pilot (Jujuy) indigenous people	Low/ Medium	The project will test compensation instruments to cover opportunity costs in the short term and work through sectoral programmes to increase financial flows in the medium term to transition to new production or provide continued support for private conservation. As the Project will also bring together stakeholders with differing levels of resources and power in the intersectoral platforms for land use planning, specific measures will be put in place for full and effective participation of these groups. In Jujuy this will include indigenous groups to ensure ELUP does not lead to adverse impacts on human rights, in terms of indigenous lands. The PPG will undertake an assessment of indigenous rights and consultation and information requirements as per the constitution and other relevant legislation, as well as relevant international law (UNDRIP) to foster full respect for human rights, including but not limited to rights to self-determination, lands, resources and territories, traditional livelihoods and cultures.

5. Coordination. Coordination with different GEF-funded and other initiatives.

47. The ELUP project will coordinate with several ongoing projects financed by GEF. Under Component 3 it will pay specific importance to assessing lessons learnt from relevant project recently completed or nearing completion including "Restoration and Control of Factors leading to Deterioration of Native Forests in National Parks 2010-2013"; "Incentives for the Conservation of Globally Important Ecosystem Services, 2010-2015; "Sustainable Forest Management in the Trans-

border Ecosystem of the Gran Chaco Americano, 2010-2015", "Support to the Implementation of the National Programme on Native Forest Protection, 2012-2017; "Conservation of Native Forests at landscape level and social and environmental inter-relationships in the San Luis centre-area hills 2015; "Rural Corridors and Biodiversity" and "Native Forests and the Community" that started up in 2015; "Increasing Climate Resilience and Improving Sustainable Land Management in Buenos Aires Province, 2011-2016; Land Assessment in Dryland Areas – LADA- Project. Close coordination will be maintained with on-going project of relevance particularly: a) "Sustainable use of drylands in Northwest Argentina"; b) "Sustainable use of biodiversity – small farmers in the Atlantic Forest, Yungas and Chaco"; c) "Establishment of Incentives for the Conservation of Globally Significant Ecosystem Services" and "Rural Corridors and Biodiversity Conservation" implemented by the National Parks Administration. A set of specific mechanisms will be used for such coordination:) annual coordination and planning meetings; b) technical meetings for sector-specific matters; c) meetings and activities to exchange lessons learned and good practices, with the authorities and technical and other sectors. Although the ecoregions in which the projects are implemented are only partly shared, the exchange of experiences is deemed to be important. The role of MAyDS as a national executing agency will facilitate coordination, supplementation and synergies with other GEF-funded initiatives and will also help to tap lessons learned. Implementation through UNDP will also make coordination easier, and its experience in implementing other sustainable development projects together with MAyDS in Argentina will be key to programming activities and fulfilling objectives.

6. Consistency with National Priorities

48. ELUP is a cross-cutting topic in almost all of the NBSAP pillars and is aligned with the National Plan of Action to Combat Desertification (NAP). Several of the NBSAP objectives and goals refer to the importance and need for ELUP: a) mainstreaming different kinds of conservation areas in the design and management of Conservation Corridors, by agreements, participation and institutionalization processes to set up an integral forum for Biodiversity Conservation in a given ecoregion; b) Promote the integration of PAs in broader landscapes by setting up Conservation Corridors at landscape and regional scales, using different conservation schemes. The project objectives are a priority for the national and provincial governments and will support ELUP in Argentina pursuant to the provisions of the General Environment Law and sustainable development, included in the Constitution. It is consistent with the enforcement of National Law 22,421 on Fauna Conservation, National Law 24,375 adopting UNCBD, National Law 24,701 adopting UNCCD, National Native Forest Law (Law 26,331), and National Law 26,639 on Glaciers and the Peri-glacial Environment, and the current Bill on Wetlands. The coordination of policies, regulatory frameworks and national plans on ELUP, biodiversity conservation and the fight against desertification, with provincial policies and plans on the same topics, are consistent with the objectives and coordination of these environmental topics at federal agencies such as COFEMA, CONADIBIO, COFEPLAN and the recently created COFELMA. The project will also be aligned with several of MAyDS' national priority programmes (e.g. Management and Sustainable Use of Wild Species, Conservation of Endangered Species, Protection of Fauna Habitats and Flora Management). At the regional level, the project is aligned with the MERCOSUR Regional Strategy on Biodiversity which promotes and supports a set of joint instruments and measures for ecosystem and BD Conservation

7. ***Knowledge Management***

49. The importance of appropriate knowledge management is cross cutting in the design. Component 1 and its "Information System" output targets unifying, organizing and sharing existing databases on the characteristics of the ecoregions and forms of use of the resources as the basis for ELUP, and making them easily accessible by government and civil society users; and will include new information produced for its dissemination under all three project Components. Component 2, through the implementation of inter-institutional and inter-sectoral Dialogue Groups at the provincial level, will communicate information, lessons learned and provide support material to promote ELUP. Component 3 will evaluate outputs, outcomes achieved and lessons learned by different GEF and other projects in Argentina, as well as experiences and practices applicable to ELUP, and disseminate good practices and lessons learned in this project, through different communication channels to facilitate the implementation of similar projects in the region.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT ON BEHALF OF THE GOVERNMENT:

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Diana Vega	GEF Operational Focal Point	Ministry of the Environment and Sustainable Development	07/19/2016

B. GEF AGENCY CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

Agency Coordinator, Agency name	Signature	Date *(MM/dd/yyyy)*	Project Contact Person	Telephone	Email
Adriana Dinu, UNDP-GEF Executive Coordinator.		04/17/2017	Alexandra Fischer, Regional Technical Adviser, EBD		Alexandra.fischer@undp.org

C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION NA

[i] Lean et al., 1990
[ii] Burkart et al., 1999
[iii] Dinerstein et al., 1995
[iv] Clausen et al., 2008 and National Biodiversity Strategy and Plan of Action 2015-2020 (NBS 2015-2020).
[v] Olson & Dinerstein, 2002
[vi] Zuloaga & Belgrano 2015
[vii] Ojeda et al., 2012
[viii] López Lanús et al., 2008
[ix] Vaira et al., 2012
[x] Abdala et al., 2012
[xi] Giraudo et al., 2012
[xii] Prado et al., 2012
[xiii] Claps et al., 2008
[xiv] INDEC Population Census
[xv] MAyDS, 2015
[xvi] OBIO, 2015
[xvii] Website of the Western Hemisphere Shorebirds Reserve Network (WHSRN), 2016
[xviii] http://reservasprivadas.org.ar/
[xix] Fahrig, 2003; Hobbs & Yates, 2003; Henle et al., 2004)
[xx] OBIO, 2016
[xxi] ibid
[xxii] PAN
[xxiii] Brown et al., 2006 and Forest Evaluation System Management Unit - UMSEF 2007-2008
[xxiv] MAyDS (2015): *Monitoreo de la Superficie de Bosque Nativo de la República Argentina Período 2013-2014* (Monitoring of Native Forest areas in the Argentine Republic in the period 2013-2014)
[xxv] Implementation Status Report 2010-2014, SAyDS, 2014
[xxvi] 2010 Population Census (INDEC),
[xxvii] INDEC, *Proyecciones de población* 2010-2040 (Population forecasts). Website 2016.
[xxviii] Isla, F. & Lasta C. (compilers) *Manual de Manejo Costero para la Provincia de Buenos Aires* (Coastal Management Handbook for Buenos Aires Province), *Univ. Nac. de Mar del Plata* university. 2006.