



GEF

MEDIUM-SIZED PROJECT PROPOSAL REQUEST FOR FUNDING UNDER THE GEF TRUST FUND

GEFSEC PROJECT ID: 3676

IA/ExA PROJECT ID: 91659

COUNTRY: Argentina

PROJECT TITLE: Grasslands and Savannas of the Southern Cone of South America: Initiatives for their Conservation in Argentina Project

GEF IA/ExA: World Bank

OTHER PROJECT EXECUTING AGENCY(IES): Aves Argentinas and Fundación Vida Silvestre Argentina

DURATION: 3 years for project implementation

GEF FOCAL AREA: Biodiversity

GEF STRATEGIC OBJECTIVES: SO-2 'To mainstream Biodiversity in Production Landscapes/Seascapes and Sectors'

GEF OPERATIONAL PROGRAM: BD-SP4- Policy, BD-SP5-Markets

IA/ExA FEE: \$92,500

CONTRIBUTION TO KEY INDICATORS

IDENTIFIED IN THE FOCAL AREA

STRATEGIES:

- 10,000 ha of grazing lands under responsible production model
- 1,000 ha of certified 'natural grasslands cattle-ranching'
- In the agricultural sector, one national and at least two provincial livestock plans incorporate biodiversity conservation through responsible production
- Natural grasslands cattle-ranching certification schemes with high biodiversity standards documented in agricultural, market and conservation literature

FINANCING PLAN (\$)		
	PPG	Project*
GEF Total	25,000	900,000
Co-financing	<small>(provide details in Section b: Co-financing)</small>	
GEF IA/ExA	75,000	1,080,687
Government (INTA)		500,000
Others¹		519,355
Co-financing Total	75,000	2,100,042
Total	100,000	3,000,042
Financing for Associated Activities If Any:		

* If project is multi-focal, indicate agreed split between focal area allocations

FOR JOINT PARTNERSHIP**		
GEF PROJECT/COMPONENT (\$)		
(Agency Name)	(Share)	(Fee)
(Agency Name)	(Share)	(Fee)
(Agency Name)	(Share)	(Fee)

*** Projects that are jointly implemented by more than one IA or ExA

MILESTONES	DATES
PIF APPROVAL	03/17/2009
PPG APPROVAL	-
MSP EFFECTIVENESS	06/30/2010
MSP START	06/01/2010
MSP CLOSING	05/31/2013
TE/PC REPORT*	08/31/2013

*Terminal Evaluation/Project Completion Report

Approved on behalf of the World Bank. This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the [Review Criteria for GEF Medium-sized Projects](#).

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¹ A list of co-financing sources is on page 30.

LIST OF ACRONYMS

AA	<i>Aves Argentinas</i> (Argentine Birds)
APN	<i>Administración de Parques Nacionales</i> (National Parks Administration)
AVPs	<i>Areas Valiosas de Pastizal</i> (Valuable Grasslands Areas)
AWP	<i>Annual Work Plan</i>
CBD	<i>Convention on Biological Diversity</i>
CMS	<i>Convention on Migratory Species</i>
CREA	<i>Consortios Regionales de Experimentación Agrícola</i> (Regional Agricultural Experimentation Consortia)
EAN	<i>Escuela Argentina de Naturalistas</i> (Argentine School of Naturalists)
EBA077	<i>Endemic Bird Area Nomenclature 077</i>
FARN	<i>Fundación Ambiente y Recursos Naturales</i> (Foundation for Environment and Natural Resources)
FVSA	<i>Fundación Vida Silvestre Argentina</i> (Argentine Wildlife Foundation)
GEF	<i>Global Environment Facility</i>
GDP	<i>Gross Domestic Product</i>
GIS	<i>Geographic Information System</i>
GM	<i>Genetically Modified</i>
IBAs	<i>Important Bird Areas</i>
INDEC	<i>Instituto Nacional de Estadísticas y Censos</i> (National Institute of Census and Statistics)
INTA	<i>Instituto Nacional de Tecnología Agropecuaria</i> (National Institute of Agricultural Technology)
IUCN	<i>International Union for Nature Conservation</i>
MAGyP	<i>Ministerio de Agricultura, Ganadería y Pesca</i> (Ministry of Agriculture, Cattle and Fisheries)
MERCOSUR	<i>Mercado Común del Sur</i> (Common Market from the South)
M&E	<i>Monitoring and Evaluation Plan</i>
MoU	<i>Memorandum of Understanding</i>
MSP	<i>Medium Size Project</i>
NBSAP	<i>National Biodiversity Strategy and Action Plan</i>
NGOs	<i>Non Governmental Organizations</i>
NRM	<i>Natural Resource Management</i>
NT0710	<i>Eco-Region Uruguayan Savanna</i>
NT0803	<i>Eco-Region Humid Pampas</i>
NT0806	<i>Eco-Region Semi-arid Pampas</i>
NT0909	<i>Eco-Region Southern Cone Mesopotamian Savanna</i>
PIF	<i>Project Identification Form</i>
PIR/APR	<i>Project Implementation Review/Annual Project Report</i>
PDF	<i>Project Development Fund</i>
PM	<i>Project Manager</i>
PMU	<i>Project Management Unit</i>
PSC	<i>Project Steering Committee</i>
PTR	<i>Project Terminal Report</i>
SAyDS	<i>Secretaría de Ambiente y Desarrollo Sustentable</i> (Secretary of Environment and Sustainable Development)
SP	<i>Strategic Program</i>
SRA	<i>Sociedad Rural Argentina</i> (Rural Argentine Society)
TC	<i>Technical Committee</i>
TGCI	<i>Temperate Grasslands Conservation Initiative</i>
TOR	<i>Terms of Reference</i>

UNDP
WI

*United Nations Development Program
Wetlands International*

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1. PROJECT SUMMARY

A) PROJECT RATIONALE, OBJECTIVES, OUTCOMES/OUTPUTS, AND ACTIVITIES.

Rationale

Background

1. The Republic of Argentina is the second largest country in South America, and is constituted as a federation of 23 provinces and an autonomous capital city, Buenos Aires. It has the second highest Human Development Index (at 0.860) and Gross Domestic Product (GDP) in South America, and is currently classified by the World Bank as an Upper-Middle Income Country and a Secondary Emerging Market. Argentina can be broadly divided into four regions: the fertile plains of the Pampas in the center of the country, the Patagonian plateau to the south, the subtropical Gran Chaco to the north, and the Andes mountain range forming the western border with Chile. The Pampas are the source of Argentina's agricultural wealth and the country is one of the world's major agricultural producers. In 2007, agricultural output accounted for 9.4% of GDP, and nearly one third of all exports (INDEC 2008). Crops of particular importance include soybeans, sunflower seeds, maize and wheat. Cattle-raising is also a major industry, although it is mostly for domestic consumption.

2. The Argentine Pampas form part of the larger Pampas grasslands of southern South America, covering an area of one million square kilometers in four Mercosur countries: Argentina, Brazil, Paraguay and Uruguay. They constitute one of the richest areas of grassland biodiversity in the world, especially noted for plant species diversity (many of considerable economic value) and grassland-dependent birds. The Pampas also have strong cultural roots – as represented by the figure of the “gaucho” (a South American “cowboy”). Traditionally used for free-range cattle-ranching, the Pampas grasslands have largely been replaced by intensive agriculture (primarily cereal crops), and the area of natural grasslands remaining is fast dwindling.

Biological Importance

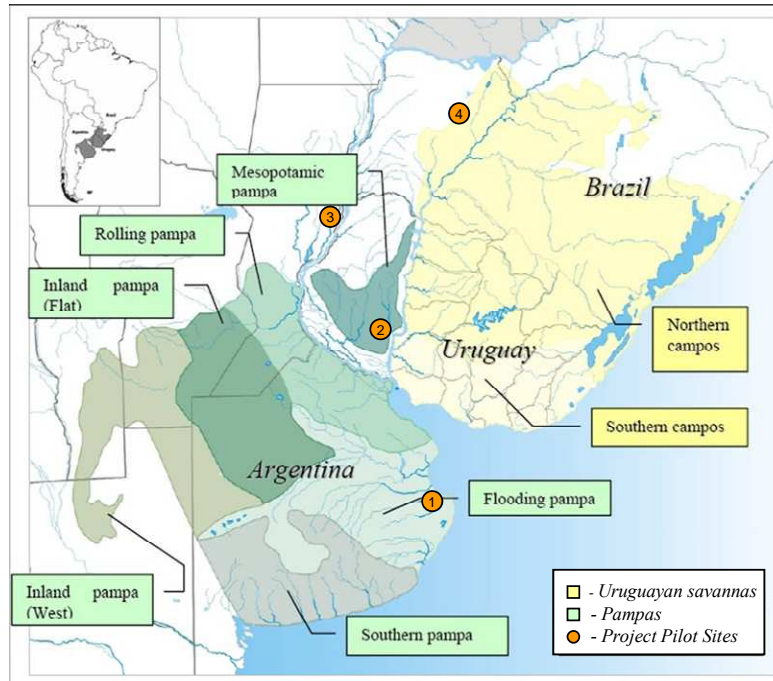
3. At a global level, four ecoregions with strong biogeographic, economic and cultural similarities are recognized within the Pampas grasslands: Humid Pampas (NT0803²), the Semi-arid Pampas (NT0806), the Southern Cone Mesopotamian Savanna (NT0909) and the Uruguayan Savanna (NT 0710). The conservation status of three of these ecoregions is considered “Critical/Endangered” by the World Wide Fund for Nature (WWF) while that of the Southern Cone Mesopotamian Savanna is categorized as “Vulnerable”. At a regional level, six different ecological units have been recognized within the Argentine Pampas, based on geology, geomorphology, drainage, soils and vegetation. These are, from north to south, Northern Campos, Mesopotamic Pampa, Rolling Pampa, Inland Pampa, Flooding Pampa, Southern Pampa and are illustrated in Figure 1 (which is taken from Soriano et al. 1992³). Only one-third of the surface area of the five Pampas ecological units is covered by natural or semi-natural grasslands, whereas in the Campos, up to 80% is covered by grasslands⁴.

² Ecoregion codes are those used by WWF/National Geographic
<http://www.nationalgeographic.com/wildworld/terrestrial.html>

³ Soriano, A., R. J. C. León, O. E. Sala, R. S. Lavado, V. A. Deregibus, M. A. Cahuepé, O. A. Scaglia, C. A. Velazquez & J. H. Lemcoff. 1992. Río de la Plata grasslands. In: Coupland, R.T. (ed.) *Ecosystems of the world 8A. Natural grasslands*. Pp. 367-407. Elsevier, New York.

⁴ Miñarro, F. & Bilenca, D. (2008) *The conservation status of temperate grasslands in central Argentina*. Fundación Vida Silvestre Argentina. Buenos Aires, Argentina.

Figure 1: Map of the Six Pampas Ecological Units



4. The Pampas grasslands are one of the richest areas of grassland biodiversity in the world. The Argentine Pampas holds several thousand species of vascular plants, including 550 grass species. In the subtropical parts of the Pampas, the species richness of grasses and legumes is as high as that of the vegetation of some tropical forests. There are 450–500 bird species (about 60 of which are strictly grassland dependent) and about 100 species of mammal. In addition to numerous endemic plant species, several small reptiles and rodents and three bird species are endemic to the region, the latter restricted to the Endemic Bird Area “Argentine Mesopotamian Grasslands” (EBA 077), as identified by BirdLife International. As would be expected from the threatened status of the component ecoregions, much of the Pampas biodiversity is threatened. The global extinctions of Eskimo Curlew *Numenius borealis* and Glaucous Macaw *Anodorhynchus glaucus* are the most visible of a string of local population extirpations, such as Saffron-cowled Blackbird *Xanthopsar flavus* and Strange-tailed Tyrant *Alectrurus risora*, and a number of large mammals, including Jaguar *Panthera onca* and Pampas Deer *Ozotoceros bezoarticus*. The latter is now restricted to less than 0.5% of its original range within the Pampas, and is one of the most threatened representative mammal species of the temperate grasslands of South America. A total of 15 Pampas bird species are globally threatened with extinction, and the grasslands are keys to the conservation of many others, including various Arctic-breeding shorebirds.

Project Pilot Sites. This project will involve four project pilot sites:

- 1 The coastal grasslands of the Bahía de Samborombón, Buenos Aires province
- 2 The grasslands of the Gualeguaychú zone, Entre Ríos province;
- 3 The grasslands of San Javier and Alejandra, Santa Fe province; and
- 4 The grasslands of the Arroyo Aguapey basin, Corrientes province.

Threats to biodiversity

5. Modern agriculture has greatly expanded since the second half of the 20th Century on all suitable soils, causing profound changes to the Pampas grasslands at both landscape and regional scales. Despite the traditional and cultural ties that many landowners have to cattle-ranching, recent market and political forces create pressure to convert land to crops: existing beef production systems are no longer as profitable as crop cultivation. This recent crop expansion has been led by soybean cultivation. Formerly a marginal crop that represented less than 3% of the cultivated area in the early 1970s, soybean has now become the main crop in Argentina, covering nearly 40% of the cultivated area (more than 17 million ha in 2008/2009). Impacts of agricultural crop intensification on cattle ranching in the Pampas includes relocation of livestock to areas less suitable for crops, and an increase in the stocking rate, such that traditional cattle-breeding areas such as the Flooding Pampas now suffer from overgrazing, threatening native habitats. Additional threats include excessive use of agrochemicals, the frequent burning of grasslands and the replacement of native species by invasive exotic species (and the related loss of natural habitats). Meanwhile, in Entre Ríos and Corrientes provinces, over 400,000 ha of grasslands have been converted to forestry plantations, with severe changes to the structure and function of the landscape.

6. Even in those areas where extensive cattle-ranching is still practiced, poor management techniques imperil many grassland species. This includes overgrazing which leads to soil erosion, replacement of native species by invasive species, excessive use of agrochemicals, as well as frequent set burns in some areas.

Framework for a Solution

7. With the vast majority of the Pampas grasslands under private ownership and dedicated to agriculture, and with public and private protected areas covering no more than 2% of area, conservation of Pampas biodiversity is dependent on the integration of biodiversity into agricultural practices in a way that is both biologically and economically viable and sustainable. Responsible cattle ranching is based on a traditional animal production system that relies on the management of grassland natural communities, enhanced by the inclusion of specific and innovative production management tools (carrying capacity, rotation, etc.)⁵ and targeted market strategies. This approach is designed to provide forage and water supplies for cattle and at the same time preserve important ecosystem services and habitats for several wildlife species, while also sustaining this environmentally sound economic activity. This system is far less detrimental to grasslands than clearance for cultivation – because the cattle require natural grasslands for grazing. The mainstreaming of biodiversity conservation into cattle-ranching activities thus needs to be the central element in the framework for conservation of the Pampas biodiversity. To create an environment favorable to mainstreaming, current financial realities dictate a key need for new market-based instruments that provide cattle-ranchers with financial incentives to integrate biodiversity into their grassland management regimes, and that enable them to withstand pressures from market forces so as to resist converting their land to agricultural crops.

Barriers to mainstreaming biodiversity conservation into cattle-ranching

8. A number of barriers exist to the successful mainstreaming of biodiversity conservation into cattle-ranching in the Pampas. These include:

⁵ For more detail please see: Marino, G.D. 2008. Buenas prácticas ganaderas para conservar la vida silvestre de las pampas: una guía para optimizar la producción y conservar la biodiversidad de los pastizales de la Bahía Samborombón y la Cuenca del Río Salado. Con la coordinación de F. Miñarro y G. Stamatti y la colaboraciones de M. Beade, E. Jacobo, C. Marull, A. Rodríguez y M. Uhart. Aves Argentinas/Asociación Ornitológica del Plata, Buenos Aires. Coeditado con la Fundación Vida Silvestre Argentina y BirdLife International.

- A lack of readily available information and experiences regarding grassland management regimes that combine cattle-ranching with biodiversity conservation;
- A lack of technical capacity to support/guide appropriate grassland management techniques;
- A lack of market incentives for cattle-ranching on natural grasslands; and
- The omission from current sectoral policy and regulatory frameworks of measures that seek to conserve and sustainably use biodiversity.

Project Development Objective/Global Environmental Objective

11. To address these barriers, the project has a **global environmental objective** to conserve grassland biodiversity of global and national importance and to protect vital ecosystem services, through the development and implementation of a strategy for sustainable management that combines conservation with production. To achieve this goal, the project's **development objective** is to assist the Government of Argentina in its efforts to develop, disseminate, and promote biodiversity conservation by mainstreaming it with cattle grazing systems in Argentina's highly valuable grassland areas.

12. Measurable global environmental benefits can be extrapolated from the contribution that the project is envisaged to make to GEF Strategic Programs. The project also envisages specific measurable benefits in terms of populations of globally threatened birds and mammals at the four pilot sites, in as far as they are: feasible; appropriate for the site; assessable within the project's three-year timescale; and have necessary baseline data available. The Project Steering Committee will discuss, define and agree these target benefits at its Project Inception Workshop. As an illustration, sample benefits might include:

- 10% increase in appropriate breeding habitat for saffron-cowled blackbird *Xanthopsar flavus* at pilot sites since introduction of responsible management techniques;
- 5% increase in appropriate habitat for non-breeding migrant shorebirds such as American golden plover *Pluvialis dominica* and Upland Sandpiper *Bartramia longicauda*;
- Pampas deer *Ozotoceros bezoarticus* are 15% more frequently recorded in responsibly managed areas of pilot sites than elsewhere at the site; and
- 10% increase in diversity of native plant species (especially *Poaceae* and *Fabaceae*) in responsibly managed areas of pilot sites.

Project components

13. The project components are the following:

1. Development of a responsible production model for the Argentine Pampas grasslands
2. Validation and demonstration of responsible production model
3. Sharing the responsible production model with a wider audience (nationally and regionally)
4. Building the responsible production model into policy and regulatory frameworks
5. Project management

The expected outcomes and outputs by each component are as in table 1.

Table 1: Project components, expected outcomes and outputs

Project Components	Expected Outcomes	Expected Outputs
1. Development of a responsible production model for the Argentine Pampas grasslands.	<p>1. New paradigm for grassland conservation through livestock ranching readily available for application in Argentine Pampas.</p> <p>New responsible production model ensures increased biodiversity value of grazed grasslands, and increased income for cattle ranchers.</p>	<p>i). Conservation status of Argentine Pampas grasslands assessed; primary threats, their drivers and causal links and indirect impacts clearly identified and quantified.</p> <p>ii). Relationship between the different stakeholders, government policies, markets and grassland ecosystems identified and modeled.</p> <p>iii). Existing and potential economic and market incentives for natural grassland beef evaluated and feasibility of their application assessed.</p> <p>iv). Review of natural grassland beef experiences elsewhere (within Mercosur and globally) completed, and key lessons learned documented.</p> <p>v). Technical and empirical knowledge of Pampas grassland management regimes compiled; best practices for natural grassland grazing regimes documented; biodiversity conservation value of different regimes evaluated and documented.</p> <p>vi). Best tools and mechanisms for sharing best practice information between producers identified.</p>
2. Validation and demonstration of responsible production model.	<p>2.1 Biodiversity value of 16 properties at four sites increased through adoption of responsible production model</p> <p>2.2 Catalyze subsequent establishment of natural grassland beef certification scheme that will subsequently promote higher market value.</p>	<p>i). Responsible production model piloted at 4 sites, involving at least 4 producers at each site. Biodiversity monitoring protocol established at each site. Net increase in the biodiversity conservation value of each site.</p> <p>ii). Best practices and adaptive management training program in place; 16 producers and their technical staff receive training.</p> <p>iii). Most appropriate best practices for each site identified; these then adopted by producers; grassland management plans developed for all 16 properties at four sites.</p> <p>i). Business plan for natural grassland beef developed; minimum standards for certification developed and receive international recognition; at least one pilot certification system established.</p> <p>ii). Existing markets for natural grassland beef evaluated and at least one accessed for pilot scheme; potential novel markets identified and under development. Increased potential market value of producer's livestock.</p>
3. Sharing the responsible production model with a wider audience (nationally and regionally).	3.1 Replicability of pilot schemes ensured through training of additional producers.	<p>i). Best practice, certification and marketing of natural beef lessons learned compiled, documented and available as on-line tool published report and through articles in industry journals.</p> <p>ii). Best practice reference and training center established. At least four training workshops for producers from throughout Mercosur undertaken by</p>

	3.2 Key producers, producers associations and rural communities aware of economic and biodiversity conservation benefits of responsible production.	project's end. i). Pilot site experiences compiled into a handbook on grassland conservation and livestock production; handbook launched at major agricultural meeting, and widely distributed to producers and agricultural extensionists. Copies distributed to agricultural colleges and universities. ii). At least 4 communications tools on grassland values targeted to rural stakeholders and broader audiences (calendar, DVD, educational pack, catalogue). iii). Grassland conservation educational "roadshow" developed, and present at a minimum of 6 agricultural and provincial fairs during project lifetime. iv). Minimum of two producer exchanges to share experiences between pilot sites and producers in grasslands in neighboring countries completed. v). One international grassland conservation and production symposium completed.
4. Building the responsible production model into policy and regulatory frameworks	4. Key public and private agricultural policy and decision makers incorporate responsible production into national, provincial and business plans for the agricultural sector	i). Multi-stakeholder process to define strategy undertaken. Strategy presented as a cross-sectoral position paper and launched at high profile event. Strategy integrated with NBSAP and CMS Migratory grassland species MoU action plan. ii). Best practice grassland management guidelines incorporated into at least two provincial livestock plans.

B) KEY INDICATORS, ASSUMPTIONS, AND RISKS

14. The key indicators for the project objective/outcome are as in table 2

Table 2: Objective, expected outcomes and key indicators.

Objective / Expected Outcome	Key Indicators
Objective. Assist the Government of Argentina in its efforts to develop, disseminate, and promote biodiversity conservation by mainstreaming it with cattle grazing systems in Argentina's highly valuable grassland areas.	<ul style="list-style-type: none"> ▪ 10,000 hectares which apply the responsible production model ▪ 1,000 hectares under certified cattle-ranching practices that meet biodiversity standards ▪ At least one national policy regulating cattle industry include measures to conserve and sustainably use biodiversity ▪ Responsible production model developed and tested with 16 producers. RPM disseminated among more than 400 producers ▪ Biodiversity conservation fully integrated into site-specific grassland management regimes
Outcome 1. New paradigm for grassland conservation through livestock ranching readily available for application in Argentine Pampas.	<ul style="list-style-type: none"> ▪ Up-to-date assessment of conservation status of Argentine Pampas grasslands ▪ Number of "natural grassland beef" experiences (from within and outside of the region) reviewed and lessons learned made available.

	<ul style="list-style-type: none"> ▪ Quantified biodiversity value of different grassland management regimes/practices.
<p>Outcome 2.1 Biodiversity value of 16 properties at four sites increased through adoption of responsible production model.</p>	<ul style="list-style-type: none"> ▪ 16 properties with detailed grassland management plans following responsible production model ▪ At least 16 producers and 32 technical staff that receive training in best practices/implementation of management plans ▪ Number of hectares of appropriate habitat available for target species ▪ Number of hectares of restored natural grasslands (as opposed other uses) ▪ Improved condition of grassland habitats.
<p>Outcome 2.2 Catalyze subsequent establishment of natural grassland beef certification scheme that will subsequently promote higher market value.</p>	<ul style="list-style-type: none"> ▪ Number of existing and potential markets identified for "natural grasslands" beef ▪ Internationally recognized minimum standards for certification of "natural grassland beef" ▪ Market value of "natural grassland" (including that under certification scheme).
<p>Outcome 3.1 Replicability of pilot schemes ensured through training of additional producers.</p>	<ul style="list-style-type: none"> ▪ 4 pilot scheme experiences readily available for consultation ▪ 1 Training center and training program established and in frequent use ▪ 60 producers trained in responsible production.
<p>Outcome 3.2 Key producers, producers associations and rural communities aware of economic and biodiversity conservation benefits of responsible production.</p>	<ul style="list-style-type: none"> ▪ Number of neighboring communities and 500 producers who receive information on activities at pilot sites ▪ 4 producers associations promoting responsible production model ▪ 4 extension agencies promoting responsible production model ▪ Education and awareness tools (handbooks) produced and distributed (1000 handbooks on grassland conservation, 2000 DVDs, 1000 educational packs, etc. ▪ 6 agricultural fairs at which responsible production model presented (as part of roadshow) ▪ Pilot site producers receive specific recognition from local community regarding environmental benefits ▪ 40 producers from other countries that learn from pilot experiences.
<p>Outcome 4. Key public and private agricultural policy and decision makers incorporate responsible production into national, provincial and business plans for the agricultural sector.</p>	<ul style="list-style-type: none"> ▪ Number of national and provincial agricultural policies and plans that incorporate responsible production and biodiversity conservation ▪ 40 landowners and rural producers who recognize the benefits of biodiversity conservation in their production plans ▪ Extent of media coverage of responsible production model and pilot site experiences (20 newspaper stories, 20 radio interviews, 10 articles in popular journals, etc.).

15. The potential risks, their rating and the mitigation strategy proposed by the project are as in table 3.

Table 3: Risks and identified mitigation measures

Risk	Rating	Mitigation Measures	Residual rating
Key players (notably producers) lack sufficient capacity and/or interest to participate in project activities, or to secure longer term, sustainable benefit from project learning.	Low	Seeking to facilitate project management, project implementation and sustainability of outcomes, the Executing Partners will conduct an initial technical and institutional needs assessment for themselves and producers, to ensure appropriate tailoring of capacity-building activities. AA and Fundación Vida Silvestre Argentina have extensive experience of working at the four pilot sites. During the project preparation phase, they have assessed and nurtured the interest and capacity of individual producers. Upon project approval, the Executing Partners will initiate a more formal and focused stakeholder engagement process (this has not been undertaken previously to avoid the danger of building expectations), culminating in the participation of the producers in the Project Inception Workshop and then the project itself.	Low
Intensive land use practices such as feed lots, crops and forestry become attractive and profitable productive activities, discouraging local producers from adopting more biodiversity-friendly practices.	Moderate	Under the current scenario, traditional but responsible cattle-ranching is not an attractive and profitable activity when compared to the conversion of land to agricultural crops or intensive cattle ranching. Many producers are actively seeking means to increase profitability of their activities. Through the Executing Partners' previous experience at the pilot sites, and consultations during the project preparation phase, producers have been identified who have a clear commitment (often through family tradition) to cattle-ranching and a willingness to adopt biodiversity-friendly practices if they increase profitability.	Low
National and provincial governments do not commit sufficient political support to the 'responsible production' model.	Moderate	During the project preparation phase, the interest of national government agencies in the development of the responsible production model has been assessed, and where relevant, nurtured. This led to the incorporation of INTA as a key collaborator, resulting in increased government engagement that was not contemplated in the original PIF.	Moderate

Risk	Rating	Mitigation Measures	Residual rating
Political risk: state intervention in agricultural markets.	High	<p>In recent years, the current government has introduced temporary market restrictions (e.g. beef export bans or changes to the tax rate on exports) to address domestic concerns about the cost of living and the public budget. The prospect and potential level of impact of such state market interventions are heightened during the present global economic crisis.</p> <p>The Executing Partners have limited power to mitigate a risk that lies in government hands. However, the Partners have focused and continue to focus on building trust between the producers and the project so as to retain participation and commitment to project objectives. The Partners will seek to strengthen the political acceptability of project outcomes, by running an inclusive, multi-stakeholder process to produce a cross-sectoral position paper on responsible production model. Finally, the project seeks to strengthen the market value of responsibly produced beef. This will be done at both domestic and international levels.</p>	Substantial
Political risk: change of national and/or provincial policy	Moderate	With national elections only 18 months away, it is difficult to assess to likelihood of policy continuity in general and its impacts on cattle-ranching in particular. The inclusion of INTA, a government agency, as a key collaborator, should help provide administrative continuity even if there is a change of political leadership and/or direction of policy.	Moderate
Certification scheme not viable	Moderate	At a global scale, the price of grass-fed beef in developed countries is at least twice that of other beef. At a local scale, there is a growing market for grass-fed beef even without intensive marketing. Nevertheless, the development of a certification scheme that uses widely accepted criteria and independent certifiers is integral to the establishment of sustainable and enhanced market value for natural grassland beef. Failure to establish such a scheme would render it more difficult to secure long-term market share. To ensure the development of a successful certification scheme, the Executing Partners will learn lessons from existing schemes (e.g. organic, GM-free) within and beyond Argentina, consult key demand-side players to understand their needs and work with certification bodies to address practicalities and identify suitable independent certifiers. The multi-stakeholder consultation process and input of INTA are designed to facilitate government support for and facilitation of the certification process.	Low

Risk	Rating	Mitigation Measures	Residual rating
Climate change risks	Moderate	<p>The success of agriculture, including cattle-ranching, is partly determined by weather, particularly precipitation patterns. Droughts can impact agriculture across much of northern Argentina. There are likely to be moderate-significant local impacts on the attractiveness or feasibility of responsible models of cattle-ranching. The Executing Partners have spread this risk by selecting widely spaced pilot sites, such that adverse impacts are unlikely through the suite of pilot sites, and thus the project should still produce serviceable outputs and outcomes.</p> <p>Beyond the timeframe of the project, it is feasible that longer-term climate change impacts (e.g. local or regional temperature changes) may affect the feasibility and desirability of cattle-ranching and, specifically, responsible production methods. As a mitigation measure, the Executing Partners will keep abreast of projections of future climate conditions, drawing on the work of the BirdLife International partnership which is already working on these forecasts in its biodiversity conservation scenario-planning. The Executing Partners intend to use these projections to identify corrective and adaptation measures if needed.</p>	Low
Summary risk rating			Low

C) COUNTRY ELIGIBILITY

16. The project is consistent with Article 6 (b) of the Convention on Biological Diversity (CBD, ratified by the Argentine Republic on October 6, 1994) and with the Convention's Program of Work on Agricultural Biological Diversity, which includes among its aims "to promote the positive effects and mitigate the negative impacts of agricultural systems and practices on biodiversity in agro-ecosystems and their interface with other ecosystems". The four project components correspond, almost exactly with the four mutually reinforcing elements of the Program of Work:

- Assessments – of the status and trends of agricultural biodiversity and their underlying causes;
- Adaptive management – that promote the positive effects and mitigate the negative impacts of agriculture on biodiversity;
- Capacity building – to strengthen the capacity of farmers and other stakeholders to manage agricultural biodiversity sustainably, and promote awareness and responsible action; and
- Mainstreaming – to support the development of national plans and strategies for the conservation and sustainable use of agricultural biodiversity and to promote their integration into sectoral and cross-sectoral plans.

D) COUNTRY DRIVENNESS

17. The objectives, actions and expected outcomes planned under the project are highly consistent with the National Biodiversity Strategy and Action Plan (NBSAP) of the Argentine Republic, developed by the Secretariat of Natural Resources and Sustainable Development, jointly with other institutions under the National Biodiversity Strategy project funded by GEF/UNDP. In particular, the project has been designed

to contribute to the sections ‘Sustainable use of biological resources’, ‘Biological diversity and agroecosystems’, ‘Restoration and prevention of degradation’, ‘Conservation of biological diversity’ and ‘Incentives for the conservation and sustainable use of biodiversity’. Within these sections of the NBSAP, the project is particularly compatible with the following objectives:

- II-1 Develop, disseminate and strengthen sustainable management experiences;
- III-1 Assess and monitor the status of biological diversity in agroecosystems, its ecological and economic importance, and the environmental impact of different agricultural practices, production systems and development projects;
- III-2 Minimize the loss of biological diversity in agroecosystems, through prevention or mitigation measures;
- III-3 Promote the sustainable use of ecosystems, species and genetic resources in agroecosystems;
- III-5 Restoration and prevention of degradation;
- IV-2 Undertake actions to restore degraded ecosystems; and
- IV-5 Design and implement policies and coordinated programs of action for the restoration of degraded areas.

18. The objectives of this project are also in line with the Pampas deer *Ozotoceros bezoarticus* national conservation plan which is being developed by the Secretary of Environment and Sustainable Development of Argentina. Among the plan’s main objectives, is the “integration of pampas deer conservation with sustainable productive systems, ensuring habitat connectivity”. Project activities at the Bahía de Samborombón pilot site will help achieve this by restoring habitat important for the species through sustainable management regimes, and will be further strengthened by a loan from the World Bank to the Argentine Government which will help consolidate the newly created Campos del Tuyú National Park (a former private reserve donated by the Fundación Vida Silvestre Argentina) through the construction of a park administration and visitor’s centre and access roads.

19. The project will also help to meet Argentina’s commitments under the Conservation of Migratory Species (CMS), and specifically the *Memorandum of Understanding on the Conservation of Southern South American Migratory Grassland Bird Species and Their Habitats*, a regional agreement signed by Argentina, Bolivia, Paraguay and Uruguay to facilitate the conservation of globally threatened grassland-dependent migratory birds. The project will achieve this by the promotion of responsible land management practices that create and restore habitat appropriate for a number of the migratory species that are the focus of the Convention and the MoU.

20. The project will also assist Argentina to respond to the recent International Union for the Conservation of Nature (IUCN) resolution relating to the Pampas and Cerrados of South America. As proposed by Fundación Vida Silvestre Argentina and approved at the 4th World Conservation Congress in October 2008, the governments of Argentina, Brazil and Uruguay are called upon to “develop and promote natural grassland utilization and management practices that aim to establish agroecological systems capable of providing and sustaining the diverse environmental services and wildlife of the temperate grasslands of the plains and open lands of South America”.

2. PROGRAM AND POLICY CONFORMITY

A) PROGRAM DESIGNATION AND CONFORMITY

Fit with Focal Area Strategy and Operational Program Conformity

21. The project is aligned with the GEF's Biodiversity focal area Strategic Objective 2, 'To Mainstream Biodiversity in Production Landscapes/Seascapes and Sectors'. The project is also consistent with Strategic Program 4 'Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity' and Strategic Program 5 'Fostering Markets for Biodiversity Goods and Services'. The project will contribute to these strategic programs by:

- Supporting the development of a responsible production model that incorporates biodiversity standards for the Argentine Pampas grasslands;
- Creating a certification scheme for natural grassland beef and beef products built around high biodiversity standards;
- Building support for the responsible production model through wide dissemination and capacity-building among national and regional cattle ranchers, producer associations and rural communities; and
- Building the responsible production model into sectoral policy and regulatory frameworks.

22. The project seeks to remove barriers that prevent public and private sector actors from mainstreaming biodiversity conservation within cattle-ranching. To achieve this, the project will fuel the development of the policy and regulatory frameworks that promote and reward such mainstreaming, while catalyzing markets for beef and beef products that meet high biodiversity standards. Project activities will also develop a certification scheme to further stimulate improved biodiversity conservation through market mechanisms. The project will thus develop and test cost-effective, market-based instruments for conservation and sustainable use of biodiversity in grasslands.

The project will contribute to the achievement of GEF's main indicators under the Biodiversity focal area as in table 4.

Table 4: Contributions of the project to GEF's main objectives and programs

Relevant GEF-4 BD Strategic objective (SO)	Expected impacts (long-term)	Relevant GEF-4 BD Indicators	Project contribution to GEF-4 BD Indicators
SO-2 To mainstream biodiversity in production landscapes/seascapes and sectors.	Conservation and sustainable use of biodiversity incorporated in the productive landscape and seascape.	<ul style="list-style-type: none"> • Number of hectares in production landscapes/seascapes under sustainable management but not yet certified. • Number of hectares/production systems under certified production practices that meet sustainability and biodiversity standards. 	<p>10,000 ha of grazing lands under responsible production model.</p> <p>1,000 ha of certified 'natural grasslands cattle-ranching'.</p>
Relevant GEF-4 BD Strategic Program (SP)	Expected outcomes	Relevant GEF-4 BD Indicators	Project contribution to GEF-4 BD Indicators
4. Strengthening the policy and regulatory framework for mainstreaming biodiversity.	Policy and regulatory frameworks governing sectors outside the environment sector incorporate measures to conserve and sustainably use biodiversity.	• The degree to which policies and regulations governing sectoral activities include measures to conserve and sustainably use biodiversity as measured through the GEF tracking tool.	In the agricultural sector, one national and at least two provincial livestock plans incorporate biodiversity conservation through responsible production.
5. Fostering markets for biodiversity goods and services.	• Global certification systems for goods produced in agriculture, fisheries, forestry, and other sectors include technically rigorous biodiversity standards.	• Published certification systems that include technically rigorous biodiversity standards.	Natural grasslands cattle-ranching certification schemes with high biodiversity standards documented in agricultural, market and conservation literature.

B) PROJECT DESIGN (INCLUDING LOGFRAME AND INCREMENTAL REASONING)

Sector Issues

23. The federal government's role in grasslands conservation and production is fragmented. Productive systems are placed in the Ministry of Agriculture, Livestock and Fisheries (MAGyP – formerly the Secretary of Agriculture, Livestock, Fisheries and Food⁶) in the *Ministerio de Economía y Producción*, and grasslands conservation is part of the agenda in the Secretariat of Environment and Sustainable Development (SAyDS) in the *Jefatura de Gabinete de Ministros*. Grasslands conservation falls under the *Dirección Nacional de Conservación de la Biodiversidad* of SAyDS. The *Instituto Nacional de Tecnología Agropecuaria* (INTA) under the MAGyP is responsible for promoting conservation of ecosystems in productive landscapes.

⁶ On September 30, 2009 the president of Argentina elevated the status of the Secretary of Agriculture, Livestock, Fisheries and Food from a department within the Ministry of the Economy to that of its own Ministry of Agriculture, Livestock and Fisheries (MAGyP). <http://infoleg.mecon.gov.ar/infolegInternet/anexos/155000-159999/158298/norma.htm>

24. Responsibility for natural resource management (NRM) falls to the provinces, with the national government playing a policy and support role (with the exception of direct national government management of national parks). In general, the provincial governments are weak in NRM, particularly in grasslands conservation. Furthermore, nearly all resources are owned by the private sector, so sustainable management has to be an approach that is supported by market incentives as much as by government policy or public commitment. The overall policy and financing framework required to strengthen the appropriate roles of the public and private sectors in a broad agenda of NRM is not yet in place.

Baseline activities GEF alternative and incremental cost

25. **Baseline Scenario:** BirdLife International, through its national partner in Argentina (Aves Argentinas) together with FVSA, are carrying out initiatives with the aim of identifying and conserving key sites for the biodiversity of Grasslands of the Southern Cone in Argentina. A directory of key grassland areas has been published for the region, and other co-financed activities should begin soon, such as the preparation of a regional strategy for conservation areas and the development of conservation activities focused on specific sites (i.e., pressure, dissemination, land acquisition, habitat recovery, establishment of Local Support Groups, monitoring, etc.). In the absence of the GEF Alternative, the Baseline Scenario (mainly an inventory of highly valuable grassland areas) will provide primarily technical information on key areas of biodiversity in the grasslands without addressing the causes of long-term threats to this unique ecosystem. Due to the current institutional weaknesses of government agencies, state action will differ greatly from one jurisdiction to the next. In spite of recent efforts, neither the National Parks Administration (APN) nor the provincial organizations are themselves capable of developing far-reaching conservation strategies and establishing necessary changes in the provinces and other areas to achieve a systemic change for conserving globally important biodiversity in grasslands. The estimates of ecosystem protection (both quantitative and qualitative) included in the project are below the international levels suggested by the IUCN and most conservation professionals. Without the incremental investments to stimulate conservation and connectivity through concerted national efforts, grassland habitats will continue to be reduced along with the viable populations of threatened grassland species.

26. **GEF Alternative:** During the course of the three-year project, GEF co-financing will be used not only to develop activities needed for biodiversity conservation in a rural production environment, but to also implement and evaluate these activities through pilot projects. GEF co-financing will also serve as a catalyst to connect regional efforts and to develop mechanisms to coordinate project management with other on-going initiatives. Without concerted efforts to overcome the barriers involved in working across landscapes and multiple levels of government, the private sector, and local communities, activities in these key grassland areas will remain mere inventories for conservation efforts. GEF funds will be vital to strengthening sustainable productive practices as a counterproposal to the mono-cropping agriculture business-as-usual. The GEF-provided incremental investment is important to support this necessary multi-stakeholder and multi-level approach (see Annex 1 for more detail).

Project Components and Activities

27. There are four core project components that - along with their associated outcomes, outputs and activities - will contribute to achieving the project goal and objective. These are:

- Component 1* Developing a responsible production model that combines grassland conservation with cattle-ranching.
- Component 2* Refining the model at pilot sites and strengthening it through the development of a “natural grasslands beef” certification scheme.
- Component 3* Building individual- and institutional-level capacity to implement the model; and

Component 4 Creating sectoral policy and regulatory frameworks that encourage uptake of the model.

28. It is envisaged that these four components, once successfully completed, will generate market-based instruments that will create (a) a favourable environment for the mainstreaming of biodiversity conservation beyond the geographical and chronological scope of the current project, and (b) the technical capacity to replicate the project's pilot experiences both elsewhere in Argentina and at other grassland sites in the wider Pampas region (southern Brazil, southern Paraguay, Uruguay).

Component 1: Development of a responsible production model for the Argentine Pampas grasslands *GEF financing US\$90,000; total financing US\$208,943*

29. Under this component, a series of activities will be undertaken leading to the set-up of a model for grassland conservation and cattle-ranching – that of responsible production. This model will include specific environmental, social, economic and market dimensions, and will be made readily available for application in the Argentine Pampas. This model is inspired by the traditional cattle ranching system of animal production. Together with the incorporation of specific management practices such as adjustment of carrying capacities and rotation schemes, and a targeted market strategy will promote a responsible animal production system. This model will provide forage and water supplies for livestock and still preserve the main ecosystem services and the habitat for several wildlife species. In this system, domestic animals are under free range management, are freely fed, and usually spend most of their lifespan in grassland communities. It was the original method by which ranchers introduced cattle into the Pampas. The model is conceived as an integrated system not only considering its biodiversity benefits but also its economic and social sustainability. Through its application, it is expected that there will be an increased biodiversity value of grazed grasslands, and an increased income for cattle-ranchers (who apply the model).

30. By means of this component, the project will produce the following outputs:

- Updated assessment of the conservation status of the Argentine Pampas grasslands, with the primary threats, their drivers and causal links and indirect impacts clearly identified and quantified;
- Relationship between the different stakeholders, government policies, markets and grassland ecosystems identified and modeled;
- Assessment of existing and potential economic and market incentives for natural grassland beef and feasibility study of their application;
- Review of natural grassland beef experiences elsewhere (within MERCOSUR and globally), and key lessons learned and documented;
- Compilation of technical and empirical knowledge of Pampas grassland management regimes, with best practices for natural grassland cattle grazing regimes documented, and the biodiversity conservation value of different regimes evaluated and documented; and
- Identification of best tools and mechanisms for sharing best practice information between producers.

Component 2: Validation and demonstration of the responsible production model *GEF financing US\$450,000; total financing US\$1,429,044*

31. The objective of this component is to implement and adapt the responsible production model to the field through its implementation at four pilot sites, and to further strengthen it through the development of a “natural grasslands beef” certification scheme. A total of 16 cattle producers at the four pilot sites are expected (a) to participate in field trials of the responsible production model and (b) to contribute to the

development of good agronomic and sustainable practices for livestock. The four selected pilot sites are listed here (for a more detailed description, refer to Annex 3):

- Pilot site 1* **The coastal grasslands of the Bahía de Samborombón, Buenos Aires province**
- Pilot site 2* **The grasslands of the Gualeguaychú zone, Entre Ríos province:**
- Pilot site 3* **The grasslands of San Javier and Alejandra, Santa Fe province:**
- Pilot site 4* **The grasslands of the Arroyo Aguapey basin, Corrientes province:**

32. All four areas have traditionally comprised extensive livestock ranches (primarily cattle), but are increasingly under pressure from more intensive (and, at present, financially rewarding) uses, such as agricultural crops, forestry plantations and intensive cattle-raising. All four pilot sites have been identified as key areas for biodiversity conservation – as IBAs (Important Bird Areas) and AVPs (High Value Grassland Areas). Moreover, Aves Argentinas and Fundación Vida Silvestre Argentina have already conducted extensive groundwork in the selected sites, including identifying producers interested in participating in a responsible production and certification scheme.

33. Two major outcomes are expected as a result of the activities to be undertaken under this component. They are as follows: i) An increase in the biodiversity value of 16 properties at four sites as a result of the adoption of responsible production model; and ii) A fledgling “natural grassland beef” certification scheme that promotes higher market value for responsibly produced beef and beef products from the pilot sites.

34. The outputs envisaged under this component are:

- i) Responsible production model piloted at 4 sites, involving at least 4 producers at each site, with established biodiversity monitoring protocol and demonstrable net increase in the biodiversity conservation value of each site by project end; ii) Established best practices and adaptive management training program in place, with 16 producers and their technical staff having received training; iii) Grassland management plans developed and under implementation for all 16 properties at the 4 sites, including site-specific best practices; iv) “Natural grasslands beef” business plan developed; v) Minimum standards for the certification of “natural grasslands beef” developed and international recognition sought; vi) At least one pilot certification scheme established at one of the pilot sites; vii) Evaluation of existing (international) markets for “natural grassland beef” and one accessed for pilot certification scheme; and viii) Potential novel (including domestic) markets identified and under development.

Component 3: Sharing the responsible production model with a wider audience (nationally and regionally) *GEF financing US\$180,000; total financing US\$923,970*

35. The objective of this component is to disseminate information and to build capacity regarding the responsible production model on broad scale, both within Argentina and regionally (e.g. throughout the Pampas grasslands region).

36. Two major outcomes are expected from this component: (i) the replicability of the pilot schemes ensured through the training of additional producers (from both Argentina and neighboring countries); and (ii) increased awareness of the economic and biodiversity conservation benefits of responsible production among key producers, producer associations and rural communities.

37. Outputs planned for this component are:

- i) Lessons-learned regarding best practice, certification and marketing of natural beef compiled, documented and available as an online tool and through articles in industry journals; ii) Best practice reference and training center established; iii) Pilot site experiences compiled into a handbook on grassland

conservation and livestock production and launched at major agricultural meeting; iv) Producers from throughout the Pampas grasslands (including neighboring countries) trained in the responsible production model during four workshops; v) Four communications tools on grassland values targeted to rural stakeholders and broader audiences (calendar, DVD, educational pack, catalogue) produced and widely disseminated; vi) Grasslands conservation educational “roadshow” developed, and presented at a minimum of 6 agricultural and provincial fairs during the project lifetime; vii) Minimum of two producer exchanges to share experiences between pilot sites and producers in grasslands in neighboring countries completed; and viii) One international grassland conservation and production symposium to share experiences between the Pampas grasslands and other grassland regions completed.

Component 4: Building the responsible production model into policy and regulatory frameworks
GEF financing US\$90,000; total financing US\$163,455

38. Under this component, a series of activities will be undertaken with the objective of incorporating the responsible production model into national and provincial policy and regulatory frameworks, and ideally, into new business plans for the livestock sector in Argentina. The project will use a multi-stakeholder cross-sectoral engagement process to gain support from key public and private agricultural policy and decision makers, and to develop a cross-sectoral strategy for the conservation and sustainable use of Pampas grassland biodiversity. This will be accompanied by an outreach and awareness campaign emphasizing: i) biodiversity conservation as a sign of social responsibility in agribusiness, and ii) environmental health as a determinant of human health.

39. Expected outputs under this component are: i) Cross-sectoral strategy for conservation and sustainable use of Pampas grasslands developed and launched at high profile event; and ii) Best practice grassland management guidelines incorporated into at least one national and two provincial sectoral plans.

Component 5: Project management *GEF financing US\$90,000; total financing US\$274,630*

40. Under this component, activities will have the objective of ensuring the smooth organization and implementation of the entire project. Activities will include the management of staff, the organization of activities under the four core components, the management of stakeholder relations, the management of project finances, and support for the needs of the Executing Partners and Project Steering Committee.

C) SUSTAINABILITY (INCLUDING FINANCIAL SUSTAINABILITY)

41. The conservation of the Southern Cone Grasslands, one of the most fragile and threatened environments in the continent, will not be possible without long-term and sustained efforts that continue beyond the period set out for this proposal. Therefore, the Project seeks to achieve sustainability of its efforts by the end of the 3-year Project term. Environmental restoration of degraded areas and the establishment of land for biodiversity conservation clearly need investment beyond the scope of the proposed Project. This will require the commitment of new partners and the creation of new instruments, e.g. Funds of Specific Assignment for Conservation of Grassland (i.e. Fiduciary Fund), for the application of new regulations (taxes on activities that lead to contamination or environmental deterioration), which could be used, for example, to reward farmers who use sustainable and environmentally friendly farming methods. These alternatives exceed the terms and amount of investment foreseen in this proposal for a Medium Sized Project of the GEF, but the procurement of new funding and the search for strategic alliances will be part of the mandate of the Regional Coordination Mechanism. During the first phase, the Project Management Unit, with the support of the partner organizations, will identify sources of new funding in order to achieve the extension of the Project to a fourth year of activities. On the other hand, it is expected that the creation of a “Regional Strategy for the Conservation of the Southern Cone Grasslands” (Component 3) and the “Alliance for Conservation” will attract new partners and stakeholders to the Project with potential to fund conservation actions in the rural sector. This is likely to

attract large enterprises from the agriculture and forestry sectors, and companies which provide commodities for agriculture. Most of the outputs and proposed actions will build new capacities or alliances that will be self-sustaining and long lasting, such as: (a) the development of a Regional Strategy for the Conservation of the Southern Cone Grasslands; (b) the endorsement of a Treaty of Parties between the governments of member countries of the Mercosur; (c) actions connected to Component 4 (creating public awareness, new tools and institutional capacity); (d) promotion of management models for agriculture that respect biodiversity, designed in the Pilot Sites; and, (e) the establishment of a certified quality brand for meat produced on sustainable managed grassland. All those are long-term actions that exceed the limits of the proposed Project and will require independent and self-sustaining management.

42. Sustainable economic activities and pilot projects led by an alliance of NGOs are considered to be the most cost-effective way to preserve biodiversity in key grassland hot spots.

D) REPLICABILITY

43. An essential part of this Project is to demonstrate farming systems that use methods that sustain grasslands biodiversity, and which could be easily adopted by relevant sectors throughout the region. Activities in and around the Pilot Sites will offer the best opportunities for Project replication at the local level. Indeed, replicability of Project approach is a compulsory requirement of Pilot Sites (“All Pilot Sites must present **good conditions for replicability**, e.g. the interest of stakeholders and extension agencies in disseminating their achievements, etc).

Other measures aimed at increasing the potential for replication include the requirements that:

(i) Pilot Sites must be **representative of the surrounding grassland region**, in terms of biodiversity and human pressures (threats, socio-economic and political reality, etc.), This proposes a “wide field of action” for replicability.

(ii) There must be **local groups** concerned with the management of conservation or sustainable production, willing to work together with the Project’s team, e.g. local environmental NGOs, groups of volunteers, farmers or other stakeholders involved with land management, with an interest in conservation.

This point requires the existence of a group of stakeholders with experience and good conditions for replicating achievements.

44. At the sub-regional level, a Provincial Strategy for the Conservation of Natural Grasslands will be drawn up with the collaboration of the Department of Biodiversity Conservation of the province of Buenos Aires, which will serve as a model for other provinces and states of the Southern Cone Grasslands region. Its development, during the initial stages of the Project, will allow important “lessons learned” to be utilized in the development of the Regional Strategy for the Conservation of the Southern Cone Grasslands.

45. The publication of the Best Practice manual is a specific tool aimed at promoting the replication of good rural management practices in natural grassland areas throughout the region (a version will be edited in Portuguese for dissemination in the grasslands of Brazil). In addition, this Project proposes to test these “best practices” in experimental areas in the Salado river basin, with the assistance of INTA (Argentina). This will help improve the potential for replicability considerably, by allowing the best practices to be adapted to different local conditions. The institution responsible for the development and transfer of rural technology (INTA) has a network of extension agencies and internal structure for the transfer (replicability) of achievements and lessons learned. Their extension officers have local contacts, means of

communication and an understanding of the farmers in their areas of operation, which will allow a widening and deepening of the scope of experience and learned lessons.

46. Some Pilot Sites have special means for the dissemination of information, e.g. in “Aguapey” (province of Corrientes) there is a well organized CREA group (“CREA Aguapey”). These groups composed of farmers and technicians are widely spread throughout Argentina and their primary objective is the transfer of successful experiences in agricultural management between farms in the same area or with similar goals. Other means through which the Project results and experiences will be disseminated and which offer the possibility for replication include:

(i) The development of a mobile exhibition of Best Practices for agricultural shows, and similar events, which will also aid the mainstreaming of biodiversity into production management on private properties and promote the value of goods and services of grasslands.

(ii) Attainment of a differential price for meat produced on sustainably managed grassland would help encourage the replication of Project activities and recommendations, since demonstration of economic rewards would be a strong incentive for farmers to adopt more sustainable land management.

(iii) The Project will create a website, and distribute electronic bulletins and reports for greater dissemination of best practices, news about the Pilot Sites, transfer of experience and lessons learned.

(iv) The exchange of ideas, and synergy between national government institutions that provide technical assistance to agriculture (INTA, INIA, EMBRAPA and DEAG), especially of knowledge related to the transfer of technology and extension.

E) STAKEHOLDER INVOLVEMENT

47. An initial set of stakeholders was involved in the strategic design of the Project through participation in national workshops (carried out with PDF Block A funding).

48. A number of additional potential stakeholders involved with policy development, biodiversity conservation and providing technical assistance for rural development were identified at the workshops and other Project design meetings, and are expected to be involved with the implementation of the Project. Stakeholder participation is planned to generate a sense of ownership and commitment to the Project in order to optimize the components and impact of the actions undertaken. In Argentina, the INTA (National Institute for Agricultural Technology), the Secretary of Environmental Policy of Buenos Aires province (Provincial Department of Biodiversity Conservation), National Coordination of Biodiversity of Argentina (Secretary of Environment and Natural Resources), SRA (Agriculture Society of Argentina), FVSA (Argentine Wildlife Foundation), WI (Wetlands International), Fundación Iberá, FARN (Environment and Natural Resources Foundation), University of Buenos Aires (Faculty of Agriculture), and the National University of Mar del Plata, are all key stakeholders.

49. The Project will consider the economic needs and well being of the communities involved in target areas, particularly at Pilot Sites, during an early stage in its implementation, and the Project Management Unit will form links with the local stakeholders, and representatives of relevant stakeholder groups will be incorporated into coordination mechanisms of the Project. Likewise, appropriate skills, experience, and knowledge of local communities and groups, the private sector and NGOs, in the design, implementation, and evaluation of Project activities will be available to the Project team.

50. Local groups will play a key role in the supervision of the proposed Project, assisting with coordination and maintenance of institutional networks, and they will also act as points of contact with other stakeholders. These multiple networks of Project beneficiaries will be the key to widespread dissemination of components and outputs. In this sense, the Project will demonstrate that broad stakeholder participation is fundamental to participatory management of natural resources.

51. Most stakeholders involved in forming national and regional policies on natural resources management have been convened in the preparatory stages of the proposed Project and have shown interest in it.

F) MONITORING AND EVALUATION

52. The Monitoring and Evaluation (M&E) of the project will follow World Bank M&E procedures. The M&E will be conducted by the project team and the Project Steering Committee (PSC) with support from the World Bank. The *Project Results Framework Matrix* in Annex 2 provides impact and outcome indicators for project implementation along with their corresponding means of verification. The M&E approach for the project is to assess how the project results contribute to integrating biodiversity conservation with cattle-ranching in the Argentine Pampas grasslands.

53. The M&E plan for the project includes: (i) an *Inception Report*; (ii) *quarterly operational reports*; (iii) *Annual Progress Reports* and (iv) *mid-term and final evaluations*. Mid-term and final evaluations will be conducted with the help of independent external consultants. Following a collective identification and verification of project outputs and a fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities, the project's M&E Plan will be presented and finalized at a Project Inception Workshop.

Project Inception Workshop and Report

54. This workshop will be conducted with the full project team, PSC, technical committee (TC), relevant government counterparts, co-financing partners, the World Bank and representatives from the project pilot sites. The objectives of this Inception Workshop will include assisting the project team to understand and take ownership of the project's goal, objective and outcomes, refining appropriate intermediate target values for suitable indicators to be achieved by mid-term evaluation, finalizing the project's first Annual Work Plan on the basis of the project's log-frame matrix, agreeing on site-specific targets in terms of globally threatened species (as a contribution to measureable global environmental benefits), and reviewing the M&E Plan. The Inception Workshop will provide the stakeholders an opportunity to fine-tune performance indicators, means of verification and assumptions; responsibilities for M&E including reporting will be allocated. The inception workshop will also provide an opportunity for all parties to understand and clarify their roles, functions, and responsibilities within the project's implementation process, including reporting and communication lines, and conflict resolution mechanisms. The workshop output will be the Project Inception Report.

Project Steering Committee and Annual Progress Report

55. The overall monitoring of the project will be carried out by the Project Steering Committee (PSC), with support from a Technical Committee (TC), which between them will include representatives from at least: Aves Argentinas, BirdLife International Americas Secretariat, Fundación Vida Silvestre Argentina, Instituto Nacional de Tecnología (INTA, who will be a key collaborator for the project), relevant regional scientific and technical authorities and interest groups from the agricultural sector, and the World Bank. Each year the PSC will meet for the Annual Project Implementation Review. The Project Manager (PM) will prepare an Annual Project Report and submit it to the PSC and TC members prior to the meeting for review and comments.

Operational M&E

56. The day-to-day monitoring of implementation progress will be the responsibility of the Project Manager (PM), whose work will be based on the project's Annual Work Plan and its indicators. S/He may be assisted by other members of the project team and by external consultants, as deemed necessary and as laid down in the Annual Work Plans. The Project Manager will work in close liaison with the PSC and TC, who are responsible for overseeing project implementation and giving the necessary guidance. The PM will prepare quarterly operational reports and submit them to the PSC and TC.

External Evaluations

57. The project design foresees two external evaluations: a mid-term evaluation and a final evaluation. The midterm evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation and will highlight issues requiring decisions and actions. The recommendations of this review will give guidance for the second half of the project's term. An independent final evaluation will take place at the end of project implementation and will be undertaken in accordance with World Bank requirements. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place) and on the impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The final evaluation will also provide recommendations for follow-up activities. The terms of reference of the mid-term and final evaluations and the criteria that the chosen independent evaluator should meet will be decided after consultation within the PSC.

Project Reporting

58. The Project Management Unit staff (led by the Project Manager) will be responsible for the preparation and submission of the following reports that form part of the monitoring process:

- (i) A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed Annual Work Plan (AWP) for the first year. The Report will also include the detailed project budget for the first full year of implementation, and including any M&E requirements to effectively measure project performance during the targeted 12 months timeframe. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. Information on progress to date on project establishment and start-up activities will be included as well as an update of any changed external conditions that may affect project implementation. When finalized, the report will be circulated to project counterparts for them to respond with comments or queries.
- (ii) Short progress reports (operational reports) outlining main updates in project progress will be provided quarterly to the PSC and TC by the PMU.
- (iii) The Project Implementation Review/Annual Project Report (PIR/APR) will be prepared on an annual basis prior to PSC meetings to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The PIR/APR will include recommendations for future orientation in addressing key problems in lack of progress.
- (iv) The comprehensive Project Terminal Report (PTR) will summarize all activities, achievements and outputs of the project, and will carefully analyze the impacts and outcomes, lessons learned; objectives met, or not achieved, structures and systems implemented, etc. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's activities.

- (v) Technical reports will form a key element to assess certain issues and to find solutions. These reports may deal with institutional, legal, technical or other issues. The subjects of these studies will be defined in the Annual Work Plans.

Auditing

59. The PMU will engage the services of a commercial auditor to provide certified annual audits of the financial statements relating to the project.

Learning and knowledge sharing

60. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. As relevant and appropriate, the project will also identify and participate in regional grassland conservation initiatives that may benefit project implementation through lessons learned. Approaches that mainstream biodiversity conservation into agricultural activities, and especially those working with the private sector, are not well-established in Argentina or in the wider region, so the project will, as part of its M&E efforts, specifically evaluate and document these experiences.

M&E budget

61. The table below summarizes the monitoring activities, responsible parties, budget and time frames for the project. Only activities to be funded directly by GEF sources are listed in the table 5.

Table 5: Monitoring scheme, responsible parties, budget and timeframe

M&E activity	Responsible Parties	Budget US \$	Timeframe
Inception Workshop	PMU and PSC	5,000	Within first two months
Inception Report	PM	0	Immediately following Inception Workshop
Measurement of Means of Verification for Project Purpose Indicators	PM to oversee hiring of specific studies and institutions and to delegate responsibilities to team members	To be finalized in Inception Phase and Workshop. Cost to be covered by pilot sites budget.	Start, middle and end of project
Measurement of Means of Verification for Project Progress and Performance	Oversight by PM. Measurement by local project implementors.	TBD as part of the Annual Work Plan's preparation. Cost to be covered by pilot sites budget.	Annually prior to APR/PIR and definition of annual work plans
Annual Progress Report and Project Implementation Review	PMU and PSC	None	Annually
Steering Committee meetings	PM	None	Following Inception Workshop and annually thereafter
Operational reports	PM	None	Quarterly
Technical reports	Hired consultants	6,000	As required
Mid-term external evaluation	PMU, PSC, external consultants (evaluation team)	4,000	At the mid-point of project implementation

M&E activity	Responsible Parties	Budget US \$	Timeframe
Final External Evaluation	PMU, PSC, external consultants (evaluation team)	6,000	At the end of project implementation
Terminal Report	PMU, PSC, external consultant	None (consultant contributions through Final External Evaluation)	At least one month before project end
Audit	Commercial auditor, PMU	3,073	At least every 18 month
Visits to field sites	PM, WB staff	To be finalized in Inception Phase and Workshop. Cost to be covered by travel budget.	At least one visit per year
TOTAL INDICATIVE COST (Excludes project staff time, World Bank staff time)		24,073	

3. FINANCING

A) PROJECT COSTS

Project costs by component are described in table 6.

Table 6: Project costs by components and financing scheme

Project Components	GEF Financing		Co-Financing		Total (\$) c=a+ b
	(\$) a	%	(\$) b	%	
1. Development of a responsible production model for the Argentine Pampas grasslands	90,000	43	118,943	57	208,943
2. Validation and demonstration of responsible production model	450,000	32	979,044	68	1,429,044
3. Sharing the responsible production model with a wider audience (nationally and regionally)	180,000	19	743,970	81	923,970
4. Building the responsible production model into policy and regulatory frameworks	90,000	55	73,455	45	163,455
5. Project Management	90,000	33	184,630	67	274,630
	900,000		2,100,042		3,000,042

B) PROJECT MANAGEMENT BUDGET/ COST

Project management costs are described in table 7.

Table 7: Project management costs and financing scheme

Project Management Costs	Indicative GEF Financing ^a		Indicative Co-Financing ^a		Total (\$) c = a + b
	(\$) a	%	(\$) b	%	
	90,000	33	184,630	67	274,630

C) CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENT

Table 8: Local and international consultants for project management and technical assistance

<i>Position Titles</i>	<i>\$/ person week*</i>	<i>Estimated person weeks**</i>	<i>Tasks to be performed</i>
For Project Management			
<i>Local</i>			
Project Assistant	189.66	148	Collects, registers and maintains all information on project activities; Contributes to the preparation and implementation of progress reports; Monitors project activities; Maintains project correspondence and communication; Supports the preparations of project work-plans and operational planning processes; Assists in procurement and recruitment processes; Receives, screens and distributes correspondence and attaches necessary background information; Prepares routine correspondence and memoranda for Project Manager signature, checking enclosures and addresses; Assists in logistical organization of meetings, trainings, workshops; Prepares agenda and arranges field visits, appointments and meetings both internal and external related to the project activities and writes minutes from the meetings; Maintains project filing system; and Performs other duties as required.
Project Accountant	189.66	74	Collects, registers and maintains all information on project expenses; Leads the preparation of financial reports; Advises all project counterparts on applicable administrative procedures and ensures their proper implementation; Supports the preparations of financial planning processes; Assists in the preparation of payments requests for operational expenses, salaries, insurance, etc. against project budgets and work plans;

			Follow-up on timely disbursements by World Bank; Maintains records over project equipment inventory;
Justification for Travel, if any: The Project Manager will have to travel extensively within Argentina, to periodically visit the four project sites, meet with producers and producer associations, meet with provincial policy makers, and to participate in events. Limited regional travel to neighboring countries will be required to learn from relevant experiences in those countries (especially Uruguay) and to establish contact with producers interested in replicating the responsible production model. Some limited domestic travel by the project assistant and accountant will be necessary, primary to support the mid-term and final project evaluations.			
For Technical Assistance			
<i>Local</i>			
Grassland Manager Coordinator	426.76	152	Delivers results and manages funds in line with the work plans approved by the PSC; Maintains collaborative working relationships between project partners; Ensures timely preparation and submission of yearly/quarterly project work plans and reports to the PSC; Leads the recruitment process for consultants and service providers; Manages the consultants contracted to the project; Discusses and deals with local and national authorities on matters pertaining to activities described in the project document; Collects, registers and maintains information on project activities; Analyzes and evaluates results of activities; Records and resolves project issues occurring during the project implementation; Supports the effective functioning of the PSC; and Advises all project counterparts on applicable administrative procedures and ensures their proper implementation.
Grassland management and grazing expert	287.64	72	Lead the development of the responsible production model from the best science available, and building on a review of relevant experiences globally; Oversee application of the model in pilot sites; Ensure documentation of best practices; Support best practices management training program.
Pilot Site Coordinators (x4)	287.64 272.03 272.03 272.03	144 144 144 144	Support and guide the implementation of the responsible production model in the four pilot sites; Coordinate site activities, including the biological monitoring and outreach components.
Grassland biodiversity expert	287.64	72	Lead the Pampas conservation assessment; Lead the development of a biological monitoring protocol for the pilot sites and oversee its implementation, analyzing and publishing the results.
Agricultural economist	256.08	52	Support the analysis of threats and their drivers; Lead the analysis of relationship between government policies, markets and stakeholders; Lead the assessment of existing and potential economic and market incentives; Lead development of business plan for “natural grassland beef”;

			Support development of certification standards.
Communications and outreach Specialist (x2)	287.64 287.64	72 72	Lead the development of the communications tools, and the grassland “roadshow”; Ensure regular communications about the project (contact with local and national media); Measure the changes in public and producer awareness about responsible production and grassland conservation; Support the production of training materials.
Remote Sensing/GIS specialist	256.08	48	Support Pampas conservation assessment and lead development of GIS for pilot sites; Produce thematic maps; Support biological monitoring and project evaluations.
Auditor	256.08	12	Conduct annual project audits and support mid-term and final project evaluations
Certification expert	395.20	12	Lead the development of certification standards that meet international criteria; Support implementation of pilot scheme.
<i>International</i>			
Evaluation experts for mid-term and final evaluation	2,500	2	The international evaluation consultant will lead the mid-term and the final evaluations. He/she will work with the PMU in order to assess the project progress, achievement of results and impacts. The project evaluation specialist will develop draft evaluation report, discuss it with the PMU, PSC and World Bank and as necessary participate in discussions to extract lessons for World Bank and GEF. The standard World Bank project evaluation TOR will be used.
Justification for Travel, if any: Technical assistance consultants will have to travel to the four pilot sites, or in the case of the pilot site coordinators, from the pilot sites to Buenos Aires for planning, coordination and monitoring and evaluation meetings.			

* Provide dollar rate per person week. ** Total person weeks needed to carry out the tasks.

D) CO-FINANCING SOURCES

Co-financing sources are listed in table 9 below:

Table 9: Co-financing sources, types, amount and status of commitment

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Project</i>	<i>%*</i>
Instituto Nacional de Tecnología Agropecuaria	Project Government Contribution	In-kind	500,000	23.81
IBRD loan - Administración de Parques Nacionales	GEF Agency/IFI	Hard Loan	519,355	24.73
Aves Argentinas	NGO	Cash & In-kind	313,026	14.91
Fundación de Vida Silvestre Argentina	NGO	Cash & In-kind	767,660	36.55
Total Co-financing			B 2,100,042	100%

The annex 8 (Institutional letters of recommendation for the Project from the executing partners and other institutions) contains the assessment and detailed description of the type of co-financing of each institution for the present project.

E) COST-EFFECTIVENESS

The project is considered to be cost-effective for the following reasons:

62. The project's focus on conserving grassland habitats and biodiversity through mainstreaming of biodiversity conservation with cattle-ranching is premised on the assumption that current levels of transformation and degradation of critical grassland habitats will severely limit, if not prohibit, future grassland conservation options (once they have been transformed or degraded to such an extent that restoration is impossible).

63. Published studies have documented that many target species for conservation (e.g. saffron-cowled blackbird *Xanthopsar flavus*⁷) can survive in primarily agricultural (i.e. cultivated) landscapes, as long as appropriate areas of natural grassland habitats are left (i.e. as long as there is landscape heterogeneity). This makes mainstreaming of biodiversity conservation an effective conservation measure.

64. There is a strong cultural link to cattle-ranching in the Pampas regions, and many ranches and ranching families have histories that extend back for generations. Consequently there is a strong desire on the part of many producers to remain as cattle-ranchers as long as it remains economically viable. This has generated a very favorable environment for the development of a responsible production model that generates both economic and biodiversity benefits.

65. The strong cultural links to the Pampas, well-educated and relatively wealthy urban population (compared to many other Latin American countries), and primarily domestic market for Argentine beef provide opportunities for marketing 'natural grassland' and 'certified natural grassland' beef and beef products.

66. The Executing Partners are two leading grassland conservation NGOs with complementary geographic and technical strengths and conservation expertise. In this way, each pilot area will benefit from the unique cumulative experience, management and technical expertise offered by both national NGOs. By collaborating, the NGOs will work more cost-effectively than if they tackled grasslands conservation separately.

67. The project will work with producers/landowners with whom the Executing Partners have already developed a relationship, thereby avoiding delays and minimizing the risk of changes in the development of the responsible production model and its testing at pilot sites. Working with new landowners/producers would be time-and cost-inefficient.

68. The project's bottom-up, organic approach is more effective than a top-down approach for the local, producer-based market. Project activities work at the local level through pilot sites and effective dissemination of activities. This will encourage regional uptake of the responsible production model during and beyond the life of the project.

69. The project's approach (developing a responsible production model, testing it at pilot sites, building capacity in the application and adaptation of best practices, and developing market incentives and a

7 Fraga, R.M., Casañas, H. and Pugnali, G. (1998) Natural history and conservation of the endangered Saffron-cowled Blackbird *Xanthopsar flavus* in Argentina. *Bird Conserv. Int.* 8: 255-267.

supporting policy and regulatory framework) is readily replicable. We thus envisage a notable multiplier effect towards the end of the project, with other producers (in Argentina and other Pampas countries) adopting the model.

70. The project will use existing infrastructure for training and for the best practices training center (e.g. INTA facilities, new administration and visitors centre in the future Campos del Tuyú National Park [these facilities being constructed through a World Bank loan]), rather than using GEF resources to create new infrastructure.

71. Many of the project activities complement those of existing initiatives, and will learn from but not duplicate them. Project activities will also build on initiatives that have been led by the executing partners, such as the Important Bird Areas and High Conservation Value Grassland Areas. Through these processes, Aves Argentinas and Fundación Vida Silvestre Argentina worked extensively with the federal and provincial government agencies and local landowners, and the project will engage these same networks and use them to build new ones.

72. Project design will seek to effectively engage several stakeholders (such as ranchers and farmers) located in key grassland areas. This approach is considerably more efficient and cost effective than the alternative of purchasing lands and managing them under a single authority (as would be the case for protected areas). For example, sustainable livestock management promotes the conservation of grassland biodiversity and at the same time improves the profitability of this economic activity. Operating with the goal to adjust large-scale cattle ranching practices makes it possible to achieve positive results and avoid costly land purchase schemes (including the maintenance costs and controls they would require). Such an alternative would exclude those people living in the productive landscape whose cooperation is required to achieve the effective conservation of biodiversity. In this respect, strengthening demonstration and dissemination mechanisms in the proposed project are essential and would further support an efficient and cost-effective means of implementation.

73. The project will also increase cost-effectiveness by building on an innovative NGO initiative: the recognition of key biodiversity areas, such as those named as Important Bird Areas (IBAS) and Valuable Areas for Grassland Conservation (AVPs). Aves Argentinas and Fundación Vida Silvestre Argentina have worked with provinces, the federal government and local landowners to identify these IBAS and AVPs. The proposed project has a good opportunity to engage this network. An alternative that does not build on the existence of IBAS, AVPs and the conservation track record and expertise of Aves Argentinas and Fundación Vida Silvestre would have to carry out a much broader, more costly and more time-consuming identification and implementation effort. Cost-effectiveness is also ensured by incorporating into the wider IBAS and AVPs system the conservation experience of Aves Argentinas and Fundación Vida Silvestre Argentina working in private lands. In this way, each pilot area will benefit from the unique cumulative experience, management and technical expertise offered by both national NGOs.

74. Alternative project approaches were considered, and are discussed here in the light of cost-effectiveness. The alternatives explored included:

No project.

75. As noted in Part II F under the business-as-usual scenario, several Pampas grassland conservation initiatives already exist. However, as noted in that section, without the development of market-based instruments that effectively mainstream biodiversity conservation with cattle-ranching, their success will be limited to a few 'good will' initiatives by private landowners and it will be very hard to scale-up any successes. Global environmental benefits will thus be extremely limited. These initiatives have, and will continue to create an enabling environment for the development of a responsible production model and market-based instruments. Any delays in GEF investments will risk losing the opportunity created by the

current enabling environment, and given the ongoing loss and degradation of natural grassland habitats, will require the allocation of more resources in the future to reverse these declines and to restore areas.

Creation of protected areas.

76. A land purchase or expropriation scheme for the creation of new protected areas would be expensive, particularly given that most of the Pampas is prime agricultural land and virtually the entire area is privately owned. The creation of new protected areas would also be unpopular with many members of the rural community, as it would necessarily exclude them from obtaining their livelihoods from the land. Given the cost of creating new protected areas, the extent of grassland habitat conserved/restored would be considerably less than that through the successful implementation of the responsible production model, and with far lower possibilities for replication and expansion in the future. This does not, however, negate the need for the creation of new protected areas in the Pampas, but it is clearly a less cost-effective alternative.

A more comprehensive project addressing land-use planning and providing greater support for the implementation of the responsible production model and certification schemes.

77. The project Executing Partners believe that a large-scale investment in the mainstreaming of biodiversity conservation into the Pampas production landscape, combined with region-wide land-use planning is the ideal solution for the conservation of the unique Pampas biodiversity and the ecosystem services that it supports. However, responsible production model has yet to be developed and tested, and market possibilities remain to be explored. With World Bank support, the design and implementation of a simpler Medium Size Project (MSP) that will develop and test the model, make some initial advances with markets, assess the strengths and weaknesses of different approaches and the project partners, and will develop their internal capacity, is believed to provide the most cost-effective alternative for initiating the mainstreaming of biodiversity conservation within the Argentine Pampas productive landscape.

4. INSTITUTIONAL COORDINATION AND SUPPORT

A) CORE COMMITMENTS AND LINKAGES

78. The current World Bank GEF program in Argentina comprises operations with total financing of US\$ 38.14 million. Operations span biodiversity, climate change and international waters. The Bank's GEF strategy in Argentina is to blend GEF-financed activities with Bank loans, not only to better leverage GEF resources but also to better mainstream global environmental concerns in country programs. The Bank program has included GEF co-financing in rural development, transport and environmental projects.

Under this scenario, the strategic framework at country level and the World Bank's comparative advantage for implementing GEF projects are based on the following:

- Leveraging investments, particularly as part of co-financing with IBRD operations in the area. The GEF helps develop, catalyze, and complement investment operations.
- Leveraging dialogue based on areas of current engagement and technical expertise. The GEF is often a new entry point for dialogue in key sectors, including energy and transport.
- Fostering new ideas and innovation, often with NGOs, the private sector, and others.

At a regional scale, the project will contribute significantly to the conservation of the Grasslands of the Southern Cone. In particular, the proposed project will coordinate with the *Alliances* initiative for the conservation of the South American Southern Cone grasslands. This initiative was launched by the family of organizations dedicated to the conservation and study of wild birds in the four South American countries which share the great biome of the Pampas or grasslands of the Southern Cone of the continent.

These organizations are [Aves Argentinas](#), [Aves Uruguay](#), [SAVE Brazil](#), and [Guyra Paraguay](#), and they are associates of the worldwide federation of [BirdLife International](#). As a multi-stakeholder initiative, *Alliances* facilitates the assessment of migrant bird populations, allows for the interchange of experiences among their partners, and improves international awareness with regards to conservation of the Pampas eco-region. This initiative will be the platform to magnify the local outcomes of this project and reach the MERCOSUR regional scale.

79. In line with the regional approach, the project will maintain strong ties with the Temperate Grasslands Conservation Initiative (TGCI), through FVSA (focal point of the TGCI in the regions of *Pampas y Campos*). The TGCI is a project implemented by the Grasslands Protected Areas Task Force of the IUCN's World Commission on Protected Areas, and supported by the Asia Regional Office (ARO) and South America (SUR). It has established the temperate grasslands of South America as a priority pilot region. More information on the TGCI is available at http://www.uicn.org/es/sobre/union/secretaria/oficinas/sudamerica/sur_proyectos/index.cfm?uNewsID=1455

80. The project will seek to complement efforts with other projects financed by the GEF, such as Argentina's "Biodiversity Conservation in Productive Forestry Landscapes Project" (carried out by the Ministry of Agriculture, Cattle and Fisheries—MAGyP—at the national level). Although the productive activity of each project is different (cattle ranching versus forestry), both initiatives will coordinate activities such as workshops and meetings where the exchange of project experiences will enrich perspectives and facilitate greater integration of biodiversity-responsible practices and policies into the rural and forestry sectors at both the national level and in selected pilot sites. In addition, the project will benefit from the Argentina-IBRD Government Program *Sustainable Natural Resource Management*, executed by the National Parks Administration (APN) together with the Secretary of Environment and Sustainable Development (SAyDS) and MAGyP, which includes investments for national parks. The program began implementation in 2008. The component under APN includes financing for investments in several protected areas such as the future National Park Campos del Tuyú. Among the activities foreseen by the APN for this future national park is the development and implementation of a natural grasslands management program (jointly with the FVSA). This program aims to reestablish the diversity of the natural grasslands and ensure suitable habitat conditions for fauna through the combination of disturbances such as "*herbivoría*" and fire. In this context, the proposed project will coordinate with the activities developed by the future National Park Campos del Tuyú. Moreover, these activities will link nicely with those planned under the project in the pilot site and neighboring area Bahía Samborombón, especially with neighbors who live in the buffer zone of the protected area. Through the consolidation of the buffer area in Bahía Samborombón pilot site, the project will contribute to the consolidation of the future national park.

81. The coordination of the project with INTA will take place in all project components, aiming at fostering work synergies with the governmental agency. Currently, INTA is developing a project on conservation, sustainable use and monitoring of biodiversity in agro ecosystems that includes different activities compatible with the strategy presented in this proposal. Particularly, the impact of agriculture on biodiversity is assessed through drafting maps of regional bird abundance (which includes 17 species from the Pampas region) and bird mortality risk for various crops (which will capture the impact of crop agrochemical use on bird species). The active integration of all INTA technicians into project activities will be promoted, as well as the implementation of specific techniques for grasslands management at representative Experimental Stations. Anticipated opportunities for collaboration also include the joint promotion of publications and dissemination of activities and experiences (such as "*INTA Expone*" which presents project activities in the marketplace).

B) PROJECT IMPLEMENTATION ARRANGEMENTS

82. Aves Argentinas and the Fundación Vida Silvestre Argentina are the two non-governmental organizations that are responsible for the implementation of the project. The governmental Instituto Nacional de Tecnología Agropecuaria (INTA) will be a key collaborator. Aves Argentinas will be the Recipient and will act as the Executing Agency for the project, while the World Bank is the Implementing Agency. Aves Argentinas and Fundación Vida Silvestre Argentina will sign a specific Memorandum of Understanding to guide project co-implementation.

83. As *Executing Agency*, Aves Argentinas will:

- Be the Project Recipient
- Take overall responsibility for project implementation; including the execution of pilot site activities
- Take overall responsibility for the timely and verifiable attainment of project objectives and outcomes;
- Chair the Project Steering Committee (PSC); and
- Provide support to, and inputs for, the implementation of all project activities.

84. As *Implementing Agency*, the World Bank will be responsible for:

- Conducting project supervision
- Providing financial services and audit;
- Overseeing financial expenditures against project budgets approved by PSC;
- Appointing independent financial auditors and evaluators; and
- Ensuring that all activities including procurement and financial services are carried out in strict compliance with World Bank procedures.

85. As *Executing Partner*, the Fundación Vida Silvestre Argentina will lead a number of specific project activities, including:

- Assessing the current status of the Argentine Pampas grasslands;
- Implementing the pilot site activities at Bahía Samborombón;
- Sharing successful grassland management activities and tools developed at Bahía Samborombón with other pilot sites, and with producers regionally; and
- Developing specific outreach and capacity-building materials.

86. As key collaborator, the Instituto Nacional de Tecnología Agropecuaria will:

- Provide technical support to the project, including through its membership of the Technical Committee, in particular related to assessing the relationship between habitat types, grassland management regimes and bird species/abundance; and
- Contribute to awareness-raising activities and technical training through its participation in major agricultural meetings, and through the development of specific outreach and capacity-building.

87. A *Project Steering Committee (PSC)* will be convened by the Executing Agency to act as the project's coordination and decision-making body. The PSC will be responsible for ensuring that the project remains on course to deliver products of the required quality to meet the outcomes defined in the project document. The PSC's role will include:

- Overseeing project implementation;
- Defining appropriate intermediate target values for suitable indicators to be achieved by mid-term review;
- Approving project work plans and budgets;
- Endorsing the recruitment and appointment of the Project Manager and Project Assistants;
- Approving the contracting of service providers;
- Approving any major changes in project plans or programs;
- Approving project deliverables;
- Ensuring commitment of resources to support project implementation;
- Arbitrating any conflicts within the project and/or negotiating solutions between the project and any parties beyond the scope of the project; and
- Conducting overall project evaluation.

88. The PSC will comprise two representatives from each of the Executing Partners. The Executive Director of Aves Argentinas will chair the PSC. The PMU will provide logistical support. PSC meetings will be held as necessary (but not less than once every six months) to review project progress, approve project work plans and approve major project deliverables.

89. The PSC will be supported technically by a *Technical Committee (TC)* that will be comprised of relevant regional scientific and technical authorities and interest groups from the conservation and agricultural sectors. The TC's role will be as an advisory body that provides guidance to facilitate the successful implementation of the four project components. The TC is expected to meet at least once per year, and to provide advice outside of annual meetings via e-mail. The TC will:

- Participate in the inception workshop and review the draft inception report;
- Review draft annual work plans;
- Provide guidance for the development of work plans for each project component;
- Review the results of the mid-term project evaluation and provide guidance regarding implementation of the recommendations therein; and
- Provide guidance on specific issues as required.

90. A *Project Management Unit (PMU)* will provide day-to-day leadership, coordination and administration of the project. The PMU will comprise a Project Manager, Project Assistant and Project Administrator (collectively, the 'project staff'), technically supported by contracted national and international service providers, as appropriate. The PMU will be physically located within the Aves Argentinas office. The project staff will be recruited through a competitive selection process and recruitment process carried out by a selection panel comprising senior staff from the Executing Partners and other bodies if appropriate. The Project Manager will liaise and work closely with all interested stakeholders, at local, national and international levels, and link the project with complementary national and regional programs and initiatives. The PMU will:

- Manage the implementation of all project activities, including: preparation/updates of project work and budget plans, record keeping; accounting and reporting; drafting of terms of reference, technical specifications and other documents as necessary; identification, proposal of project consultants to be approved by the PSC; coordination and supervision of consultants and suppliers; organization of duty travel, seminars, public outreach activities and other project events; and maintaining working contacts with project partners at the central and local levels;
- Produce Annual Work and Budget Plans to be approved by the PSC at the beginning of each year. These plans will provide the basis for allocating resources to planned activities;

- Will further produce quarterly operational reports and Annual Progress Reports to the PSC, or any other reports at the request of the PSC. These reports will summarize the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities.

ANNEXES

ANNEX 1. INCREMENTAL COST ANALYSIS

Baseline activities

1. Under the business-as-usual scenario, market forces in Argentina will continue to drive traditional cattle-ranchers to adopt more intensive cattle-raising techniques and/or to convert land to cultivation (particularly for soybeans). This will lead to ongoing direct impacts on the biodiversity of the Pampas, through habitat loss and degradation, increased fragmentation and isolation of appropriate habitat, loss of landscape heterogeneity and greater exposure to agrochemicals. There will also be indirect impacts on the biodiversity of other ecoregions, such as the humid Chaco (both in Argentina and neighboring countries) through the translocation of cattle-ranching to these areas (leading to increased habitat conversion). Expansion of intensive grazing systems and agricultural crops will also reduce the ecosystem services provided by natural grasslands and increase the degradation of soil resources through increased run-off, soil erosion and potentially salinization.

2. Through the National Biodiversity Strategy, the Argentine government has committed to mainstream biodiversity conservation into agricultural production. However, at present, national and provincial governments and the National parks Administration are thwarted by inadequate technical capacity and tools to achieve this. INTA will continue to implement its project on the conservation; sustainable use and monitoring of biodiversity in agro ecosystems, but this will primarily assess the impact of agriculture on associated biodiversity, rather than provide a mechanism to mainstream biodiversity conservation into agricultural systems.

3. Under business-as-usual, *Aves Argentinas* and *Fundación Vida Silvestre Argentina* will continue to advocate for the sustainable use of Pampas natural resources and the conservation of its unique biodiversity. This will consist primarily of providing technical information regarding key sites for grassland conservation (IBAs and AVPs), species of concern, and overall trends in habitat loss. Through the IUCN Temperate Grasslands Conservation Initiative, a regional strategy for the conservation of Pampas grasslands will be developed, but will lack market-based incentives for biodiversity mainstreaming. Its successful implementation will thus be dependent on ‘good will’ initiatives by private landowners and rare opportunities to create new protected areas. In the current global economic climate, such opportunities will be very scarce. BirdLife International’s ‘*Alliances*’ initiative will develop an alliance of producers and conservation organizations cooperating to advance grassland biodiversity conservation, and this will lead to increased and improved grassland habitat availability at a few sites (US\$1 million deployed so far, of which US\$400,000 in Argentina). However, without market-based incentives and broad support from policy- and decision-makers at national and provincial levels and in businesses, it will be hard to scale-up any successes.

4. Although producer associations may initiate natural grassland beef marketing and certification schemes, they will not have the capacity to incorporate a ‘biodiversity value’ component, thereby losing a potentially valuable marketing tool which can generate a higher price for their products. Furthermore, producer associations will also miss out on production-related benefits associated with the increased biodiversity value of grasslands, when combined with a careful management regime, which can result from the increased quantity and quality of forage, greater water and mineral retention in the soil, etc.

5. In summary, without GEF investment, the business-as-usual scenario will be:

- a. Traditional cattle ranchers forced by market forces to abandon traditional grazing regimes and adopt intensive regimes or convert to crop agriculture;

- b. Ongoing, unchecked conversion and degradation of natural grassland habitats with associated loss of unique biodiversity;
- c. No responsible production model suitable for up scaling that combines a robust framework for integrating biodiversity conservation with cattle-ranching;
- d. No market-based incentives for the mainstreaming of biodiversity conservation with cattle-ranching;
- e. Limited technical capacity to support producers, producer associations and provincial authorities interested in mainstreaming biodiversity conservation with cattle-ranching; and
- f. Weak provincial policy framework and guidelines regarding biodiversity conservation and cattle-ranching.

GEF alternative

6. Under the GEF alternative, grant funding is sought to enable the Executing Partners, in partnership with a governmental key collaborator, to:

- a. Develop a robust tool (a ‘responsible production’ model) for the mainstreaming of biodiversity conservation with cattle-ranching in the Argentine Pampas grasslands;
- b. Catalyze the development of a market-based instrument based on this model and demonstrate its expected future effectiveness at generating benefits for both biodiversity and producers (through increased profitability of production activities);
- c. Build the capacity and provide capacity for a greater uptake of the model (by individual producers, producer associations and rural communities); and
- d. Generate policy and regulatory frameworks that facilitate further mainstreaming of biodiversity conservation into the productive landscape.

7. The GEF intervention will contribute directly to increasing the extent and quality of grassland habitats available for the Pampas’ unique biodiversity, and to decreasing the rate of loss and degradation of grassland habitats (and associated biodiversity). The long-term solution that the project seeks to engineer is characterized by:

- Biodiversity and economic benefits accrued through the maintenance of extensive responsible cattle-ranching in the Pampas grasslands;
- Strong institutional capacity to replicate this model of biodiversity mainstreaming, both within Argentina and regionally;
- Catalyzing the establishment of an internally accepted “natural grassland beef” certification scheme that meets international standards (dairy certification schemes are not feasible in this context);
- Establishment of a strong national and provincial policy and regulatory framework that enables further biodiversity mainstreaming;
- Increased public awareness regarding the multiple benefits of responsible production – economic, biodiversity, ecosystem services; and
- Enhanced market awareness and demand among domestic and international consumers regarding beef raised on natural grasslands.

8. As a habitat type, Pampas grasslands are critically under-represented in Argentina’s protected areas system. The project will contribute to achieving global environmental benefits by enhancing the conservation status and/or restoring 10,000 ha of such grasslands, and securing certification of 1,000 ha as ‘natural grasslands cattle-ranching’. In turn, this will safeguard and/or restore key habitats for at least 15 globally threatened bird and mammal species. Threats to biodiversity will be significantly mitigated through the implementation of more biodiversity friendly grassland management practices. Furthermore,

it is anticipated that the project will act as a catalyst, and the responsible production model will act be taken-up by many additional producers (as they see the financial benefits) outside of the project's scope, greatly increasing the global environmental benefits directly attributable to the project.

ANNEX 2. RESULTS FRAMEWORK MATRIX

Project Strategy and Purpose	Objectively Verifiable Indicators				
	Indicator	Baseline	Target by EOP	Sources of verification	Assumptions and risks
GEO	<i>To conserve grassland biodiversity of global and national importance, and to protect vital ecosystem services, through the development and implementation of a strategy for responsible management that combines conservation with production</i>				
PDO Assist the Government of Argentina in its efforts to develop, disseminate, and promote biodiversity conservation by mainstreaming it with cattle grazing systems in Argentina's highly valuable grassland areas.	Number of hectares which apply the responsible production model	0 hectares	10,000 hectares	Project reports and maps	<i>Assumptions:</i> - Government policy does not adversely impact financial attractiveness of cattle-ranching - Responsible production model proves feasible to develop - Government remains committed to promoting biodiversity conservation - Producers willing to participate at pilot sites <i>Risks:</i> - Producers lack interest or capacity to participate in project activities - Traditional (non-biodiversity focused) cattle-ranching becomes more financially attractive
	Number of hectares under certified cattle-ranching practices that meet biodiversity standards	0 hectares	1,000 hectares	-Project reports and maps -Certification documents	
	Degree to which policies regulating cattle industry include measures to conserve and sustainably use biodiversity	No policies currently include measures	At least one national policy regulating cattle industry as well as provincial plans including measures to conserve and sustainably use biodiversity	Policy document	
	New responsible production model developed and widely disseminated	No systematized alternatives to standard cattle-ranching model readily available	-Model developed and tested with 16 producers. -Disseminated among more than 400 producers.	-Site management plans -Business plan -Handbook of pilot site experiences -Training workshop reports and participant lists -Directory of landowners interested in implementing model	
	Improved biodiversity conservation value of grasslands managed using responsible production model	Current grassland management regimes do not consider biodiversity conservation	Biodiversity conservation fully integrated into site-specific grassland management regimes	-Site management plans -Technical reports -Scientific publications	

Project Strategy and Purpose	Objectively Verifiable Indicators				
<p>Outcome 1 <input type="checkbox"/> New paradigm for grassland conservation through cattle ranching readily available for application in Argentine Pampas.</p>	<p>Up-to-date assessment of conservation status of Argentine Pampas grasslands</p>	<p>Information summarized in Miñarro & Bilenca (2008). Includes land use trends 1960-1988-2002; protected areas cover. Qualitative information about habitat status of target species available.</p>	<p>-Land-use trends to 2010, presented by province. -Extent of natural grasslands/rangeland, presented by province. -Protected areas coverage by habitat type and by province. -Quantitative analysis of habitat available for target species.</p>	<p>-Technical reports -Thematic maps prepared for each province -Revised Red List assessment for target species (documented through IUCN/BirdLife International) -One technical & two outreach publications with results.</p>	<p><i>Assumptions:</i> - Adequate and appropriate data available - Experiences of natural grassland beef are (made) available - Biodiversity value of different grassland management regimes can be quantified</p>
	<p>Number of "natural grassland beef" experiences (from within and outside of the region) reviewed and lessons learned made available.</p>	<p>No specific information about existing "natural grassland beef" experiences readily available to producers</p>	<p>Comprehensive review of all formal (documented) experiences made available to Pampas producers.</p>	<p>-Technical report -Directory of other initiatives and lessons learned available through project website. -Appropriate lessons learned incorporated into first year project implementation review and second year work plan</p>	<p><i>Risks</i> - Suitable data unavailable - Analyses of existing natural grassland beef experiences inadequate</p>
	<p>Quantified biodiversity value of different grassland management regimes/practices</p>	<p>Value of different practices to target biodiversity unknown</p>	<p>Practices which most favor each target species clearly identified and quantified in terms of density (individuals per hectare)</p>	<p>Technical reports Scientific publications</p>	
<p>Outcome 2.1 <input type="checkbox"/> Biodiversity value of 16 properties at 4 sites increased through adoption of responsible production model</p>	<p>Number of properties with detailed grassland management plans following responsible production model</p>	<p>None</p>	<p>All 16 properties</p>	<p>Property-specific management plans</p>	<p><i>Assumptions</i> - 16 producers (4 pre pilot site) willing to participate in project activities</p>
	<p>Number of producers and technical staff that receive training in best practices/implementation of management plans</p>	<p>None</p>	<p>At least 16 producers and 32 technical staff receive training</p>	<p>Documents and reports from workshops</p>	<p>- Any policy changes do not change producer attitudes sufficiently for</p>

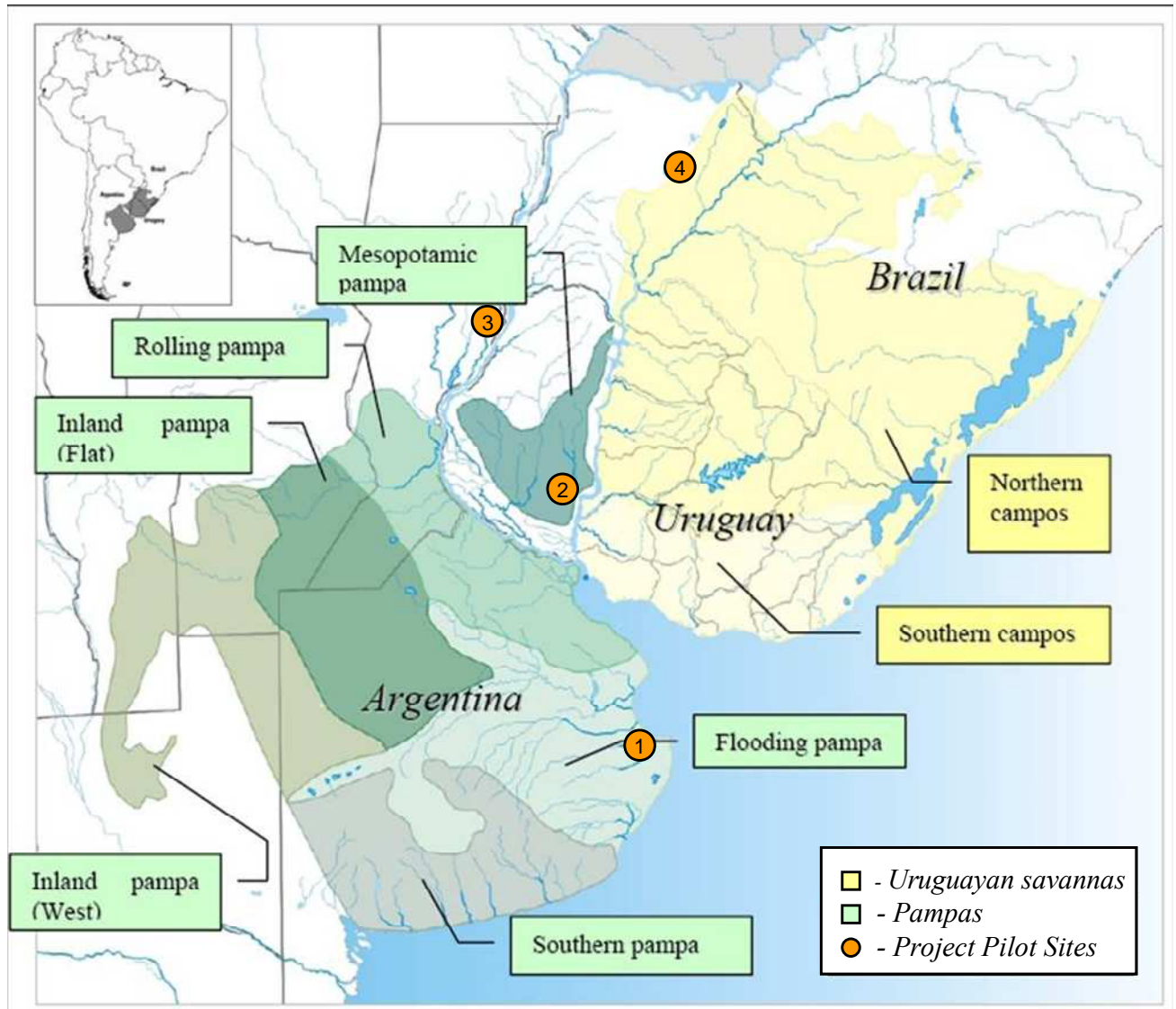
Project Strategy and Purpose	Objectively Verifiable Indicators				
	Number of hectares of appropriate habitat available for target species	To be established in first year of project	50% increase over baseline level	-Technical reports and species habitat maps -Scientific publications	
	Number of hectares of restored natural grasslands (as opposed other uses)	To be established in first year of project	50% increase over baseline level	Technical reports and land-use maps	
	Condition of grassland habitats	To be established in first year of project	Quantifiable net improvement of grassland habitats at each property measured in terms of soil condition, fertility, sward height, abundance of tussock-species, shrubs and exotic species	Technical reports	
Outcome 2.2 □ Catalyze subsequent establishment of natural grassland beef certification scheme that will subsequently promote higher market value	Number of existing and potential markets identified for "natural grasslands" beef	No specific information about existing or potential markets available to producers	Information readily available to producers regarding all existing (international) markets. Negotiations underway for creation of novel (domestic) markets.	-Existing markets identified in business plan -Letters of intent from potential novel markets	<i>Assumptions</i> - There is or will be domestic and international demand for natural grassland beef - Certification scheme proves viable <i>Risks</i> - Certification process proves unviable - State intervention in agricultural markets impacts supply of natural grassland beef
	Internationally recognized minimum standards for certification of "natural grassland beef"	No standards exist	Standards developed in-line with other international certification schemes and recognized by established certifying agency	-Technical and workshop reports -Published set of minimum standards -Letter of conformity from at least one established certifying agency	
	Market value of "natural grassland" (including that under certification scheme)	Value of beef raised on properties at standard market levels	Actual or likely future higher market value for "natural grasslands beef"; and likelihood of higher value still for certified production	-Business plan -Market prices for beef products	
Outcome 3.1 □ Replicability of pilot schemes ensured through training of additional producers	Number of pilot scheme experiences readily available for consultation	None	Pilot schemes experiences systematically documented and available.	-On-line lessons-learned tool -Technical report -Articles published in agricultural technical journals	<i>Assumptions</i> - Pilot schemes successful and can be replicated - Producers outside pilot sites see advantages in receiving

Project Strategy and Purpose	Objectively Verifiable Indicators				
		Training center and training program established and in frequent use	No training center	Established training center and training courses	-Site visit to training center -Curricula for training courses -Reports from training workshops
	Number of producers trained	0 producers trained in responsible production	60 additional producers trained in responsible production.	-Reports from training workshops -Lists of participants -Pre and post-training workshop questionnaires	
Outcome 3.2 □ Key producers, producers associations and rural communities aware of economic and biodiversity conservation benefits of responsible production	Number of neighboring communities and landowners who receive information on activities at pilot sites	None	500 producers	Directory of communities and landowners who have received information	<i>Assumptions</i> - Responsible production model produces tangible economic conservation benefits - Producer associations keen to learn about responsible production model
	Number of producer associations promoting responsible production model	None	4 producer associations	Producer association communiqués Meeting agendas	
	Number of extension agencies promoting responsible production model	None	4 extension agencies	Extension agency communiqués and technical materials	
	Number of education and awareness tools produced and distributed	None available	-1,000 handbooks on grassland conservation and cattle production -5,000 calendars -2,000 DVDs -1,000 educational packs -1,000 catalogues	-Print runs of each education/awareness tool -Stock counts and technical reports of distribution	<i>Risks</i> - Producer associations or extension agencies unwilling to get involved - No interest from rural communities about experiences from pilot sites
	Number of agricultural fairs at which responsible production model presented (as part of roadshow)	None	6 agricultural fairs	Agricultural fair programs	
	Pilot site producers receive specific recognition from local community regarding environmental benefits	No recognition	Local municipalities formally recognize broader environmental benefits provided by pilot sites.	Municipality communiqués Media coverage	

Project Strategy and Purpose	Objectively Verifiable Indicators				
		Number of producers from other countries that learn from pilot experiences	None	40 producers	Workshop reports and lists of participants
Outcome 4 □ Key public and private agricultural policy and decision makers incorporate responsible production into national, provincial and business plans for the agricultural sector	Number of national and provincial agricultural policies and plans that incorporate responsible production	Biodiversity conservation is not incorporated in national or provincial agricultural policies and plans	Biodiversity conservation integrated within one national policy and at least two provincial sectoral (livestock) plans	-National policy statement -Provincial livestock plans	<i>Assumptions</i> - Government bodies receptive to a framework developed through a multi-stakeholder process
	Number of landowners and rural producers who recognize the benefits of biodiversity conservation in their production plans	No landowners and rural producers incorporate biodiversity conservation into their production plans	40 landowners/producers incorporate benefits of biodiversity conservation in their production plans	-Questionnaire results -Directory of landowners interested in applying model -Individual property production plans	<i>Risks</i> - Media not interested in covering responsible production model experiences
	Extent of media coverage of responsible production model and pilot site experiences	None	-20 newspaper stories -20 radio interviews (national, local) -2 television programs -10 articles in popular journals -5 articles in agricultural journals	-Newspaper and journal articles -Recordings of radio and tv programs -Official figures for readership/listeners/viewers	- Government bodies unreceptive to framework

ANNEX 3. MAP

Map of the six Pampas Ecological Units and selected Project Pilot Sites



Project Pilot Sites

- 1 The coastal grasslands of the Bahía de Samborombón, Buenos Aires province
- 2 The grasslands of the Gualeguaychú zone, Entre Ríos province;
- 3 The grasslands of San Javier and Alejandra, Santa Fe province; and
- 4 The grasslands of the Arroyo Aguapey basin, Corrientes province.

The grassland of the Samborombón Bay, Buenos Aires Province: This site is located in a coastal region with flooding grasslands at the center of the Buenos Aires province, mostly occupied with extensive and non-sustainable cattle ranches on native grasslands. The economic structure of the farmers is heterogeneous. Some have their own ranches (or rent them) with an average coverage of 200 to 400

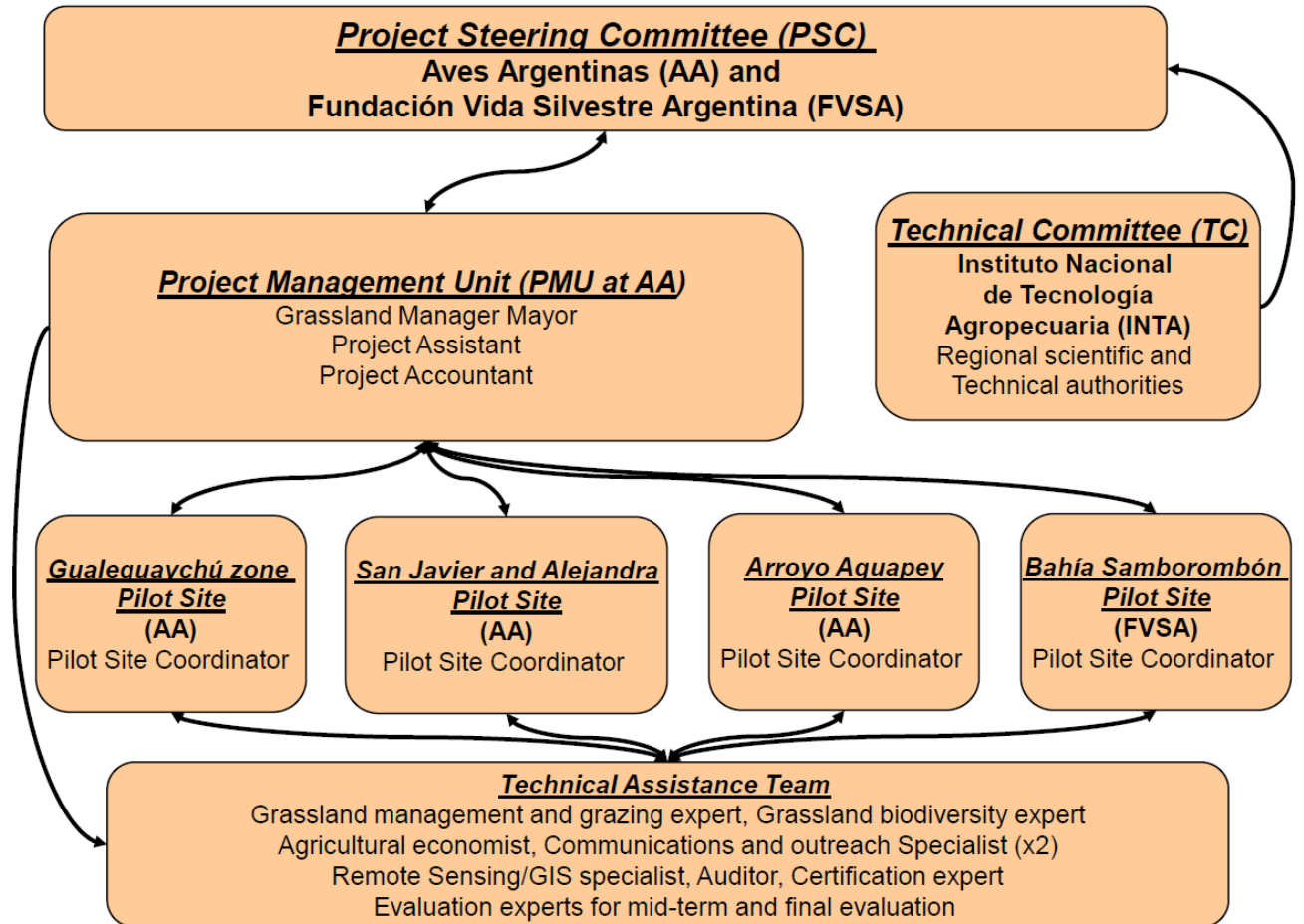
hectares; few have large landholdings bigger than 10,000 hectares. For the most part, land use here constitutes continuous grazing with cattle. The carrying capacity usually is less than 0.7 adult animals per hectare. Preliminary research on forage balance shows that sometimes the grass is not used as much as it could be, but in other cases it is overused. As a result of decades of continuous grazing, there is damage on winter grasses, in particular those which are most preferred by cattle. The project will work with ranchers amenable to adopting new ways of grazing and who are leaders among the community, with ranches that are medium - sized.

The grasslands of the Arroyo Aguapey basin, Corrientes Province: Located in the northeastern corner of Corrientes Province (Campos & Malezales Eco-region), next to Brazil and Paraguay, Aguapey grasslands are among the most vast and pristine in Argentina. Thirteen globally endangered species of birds are still present, in addition to one of the last relicts of a more endangered mammal in the region: the Pampas Deer (*Ozotoceros bezoarticus*). The area is mainly managed for cattle under natural pastures, primarily for breeding (even though breeding conditions are not necessarily sufficient in this marginal area) and for grazing Indo-British races (Braford, Brangus) on large properties (from 1,000 to 20,000 hectares). In the last 10 to 15 years the landscape and the socio-economic matrix has been shaped by afforestation (*Pinus* and *Eucaliptus*) for the wood and paper industry, with a high environmental impact and an evident habitat loss for most of the threatened grassland species. There are no official protected reserves in the area. However, there is an important opportunity to interact with and influence cattle-ranchers, providing them with technology and incentives to better face such pressures.

The grasslands of San Javier and Alejandra, Santa Fe Province: In the west of the flood plain of the middle Paraná River, the San Javier complex of shrubs and thorn forest (Espinal), grasslands and wetlands, is a key area for Neartic Migratory birds of the Grasslands, which use the Paraguay-Paraná rivers system in their migration to the south. For this reason San Javier is ranked first among the more important grassland areas for five indicative species which have been recorded there: Buff-breasted Sandpiper, American Golden Plover, Bobolink, Swainson's Hawk and Upland Sandpiper. Rice production, with 24,000 hectares in the last harvest, is the more important economic activity; it continues to grow as grasslands and forest areas are converted with scarce or no planning. A combination of ecological rice production (using lighter chemical supplies and bird-friendly treatments), land use planning at the individual property level, and cattle management on natural pastures will be key for conservation of this important migratory corridor. An opportunity for ecolabelling for "natural grassland beef" is being explored with the local cattle ranchers, who are currently exporting beef from the Pampas.

The grasslands of the Gualeguaychú zone, Entre Ríos Province: Cut off and enclosed by severe modification of the landscape via cash-crops and foresty plantations, the Gualeguaychú area of grasslands, shrubs and thorn Espinal (which is crossed by several creeks bordered by gallery forest) still functions as an island of biodiversity, with presence of species not found for miles around, including Black and White Monjita, Saffron-cowled Blackbird, Greater Rhea, and several species of Seed eaters, among others. Land tenure and socio-economic structure is dynamic since the boom of soybean crops. The boom contributed to a pronounced increase in land price, promoting and increase in agriculturalists leasing land, which has lead to certain environmental consequences derived from the lack long-term care and investment, traits that usually characterize the typical cattle rancher. This area evolved from a cattle-managed grassland and shrubby district to a matrix of feedlots and forestry plantations (*Eucaliptus* for paper). Land use planning (both at the individual property level and regional level) for biodiversity corridors and wildlife habitat, and innovation in rural tourism and incentives for grassland users continue to be challenges for sustainable grassland use in the Gualeguaychú area.

ANNEX 4. PROJECT MANAGEMENT STRUCTURE



ANNEX 6. ENVIRONMENTAL AND SOCIAL SAFEGUARDS

I. Project Location and salient physical characteristics relevant to the safeguard analysis:

1. While the policy and dissemination work of the project will be targeted to the entire Pampas ecoregion in Argentina, and its valuable grasslands, the pilot activities will be focused in 4 sites. These sites are: (1) Bahía de Samborombón’s coastal grasslands, in the province of Buenos Aires; (2) the savannas in the buffer zone of Gualeguaychú, Entre Ríos; (3) the savannas of San Javier and Alejandra in the province of Santa Fe; and (4) the savannas of the Arroyo Aguapey basin in the province of Corrientes.

2. The Grasslands of the Southern Cone of South America, commonly known as Pampas, are spread over an area of approximately 1 million square kilometers and constitute one of the world’s few temperate prairie and savanna ecosystems. The biome is currently recognized as an ecosystem of very high priority for conservation in the Neotropical Region. The agricultural, livestock, forestry, and agro-industrial activities carried out in the biome are strategic for one of the most important commercial blocks: MERCOSUR. However, these activities have led to the transformation and fragmentation of the grassland territory, consequently causing a severe impact on its biodiversity. Public and private protected areas account for no more than 2% of the biome’s land area, and the creation of new conservation units is urgently needed. In the Province of Buenos Aires, Argentina, nearly 30% of native grasslands have been converted to crop lands, and 65% of the remaining grasslands have been profoundly changed by grazing. Meanwhile, in the Provinces of Entre Ríos and Corrientes in Argentina, over 400,000 hectares (ha) of grasslands have been converted into planted forests, with severe changes to the structure and function of the landscape. The current status of wild birds in Argentina’s grasslands clearly illustrates the problem. Numerous species have lost their habitats and, consequently, have disappeared or are decreasing; a total of 17 bird species are endangered and one is considered extinct. The outlook for wild mammals is even more discouraging: Pampas deer today occupy less than 0.5% of their original range. Direct threats to grassland biodiversity include: i) agricultural expansion, ii) increased forestation, iii) intensification of cattle ranching, iv) biological invasions, v) excessive use of agrochemicals, and vi) unplanned burning of grasslands. Due to the adverse impact of these threats as well as their worldwide economic importance, the Grasslands of the Southern Cone of South America are now recognized as a biome of high conservation priority.

II. Key Safeguard Policy Issues and Their Management

3. The safeguards policies triggered by this project are the following:

Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)	X	
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

4. In terms of Environmental Assessment (OP/BP 4.01) and Natural Habitats (OP/BP 4.04), this project will have positive impacts. No potential large scale, significant or irreversible impacts are expected. Among other strategies to address the challenges above, the development and dissemination of economically and environmentally compatible land use models is one of the most important topics. Large-scale sustainable cattle ranching on native grasslands, sustainable agriculture, forestation with biological corridors, and nature and scientific tourism are all promising economic activities in the region. However, there is currently a lack of information or experience regarding these activities specifically for grassland systems. The present proposal draws from available technical information on grassland management in livestock and cattle-ranching activities and involves conservation efforts at various territorial scales in key areas in order to contribute to the conservation of grasslands in Argentina. The proposed project will be carried out through the implementation of four components described above, none of which will have negative impacts on the environment.
5. Potential indirect and long term impacts connected to project will be highly positive. The project seeks to preserve the integrity of the last remnants of grasslands in the Pampas while promoting sustainable use of resources. Other impacts are not expected.
6. Adverse impacts are not expected to result from this project. Different practices to achieve sound management of grasslands will be discussed with stakeholders during project implementation.
7. As a part of the ongoing conservation activities at the Pampas grasslands, and in line with this proposed grant, Aves Argentinas, Fundación Vida Silvestre Argentina and the National Institute for Agriculture and Technology (INTA) have launched a technical document focused on the main environmental issues addressed by the project. The Recipients have proposed the adoption of this guide as the main safeguards instrument for the project, which, at the same time is fully compatible with the project's objective.
8. The document (formatted as an informative guide) presents information about the ecology and sustainable management of the native grasslands of Argentina. One of the main issues is the understanding of the major ecological forces that drive the functioning of the grassland in the context of cattle-ranching activities. Native plants and birds are presented as bio-indicators -- tools that can be used by the cattlemen to recognize the condition of the range and the conservation status of the grassland.
9. As this manual is based on scientific literature, it offers an in-depth assessment of the key issues that the project will address, namely: (i) the biodiversity of the natural grasslands in the Pampas region; (ii) the main causes of degradation that affect these habitats; and (iii) the optimal plant-herbivore relationship presented from the perspective of conservation goals and potential socio-economic benefits. The latter introduces and focuses on practices that enhance or maintain the wildlife of the Pampas while also maintaining current levels of livestock production. The handbook focuses particularly on practices of cattle grazing management that can be adopted relatively easily by ranchers.
10. To date, there has been no guide for ranchers that provides advice regarding cattle management practices that support biodiversity on ranches as well as increase agricultural yields to meet growing demands. Currently available literature has only presented such practices without mentioning benefits to biodiversity.

11. The guide is written in easy-to-understand language (Spanish) and illustrated with several pictures and figures. In addition, some of the grassland species are pictured in a high definition brochure, which can be used in the field to facilitate recognition of the different habitat qualities.

12. It starts with a background to ecology and biodiversity, with a description of the ecosystem services provided by the grassland. The second part describes the different practices that can be adopted by ranchers, specifically: 1) grazing management, 2) reseeding and fertilization, 3) prescribed fire and 4) water excess management. Conveniences of and advantages to the production and certification of environment-friendly grassland beef are also clearly highlighted.

To respond to the growing pressures on native grasslands and their increasing economic and sustainable development value, the final part of the guide addresses topics such as fragmentation and the importance of providing buffers for natural protected areas, biological invasions, and illegal hunting.

13. The project will be executed by Aves Argentinas (AA) and the components described will be co-implemented with the Fundación Vida Silvestre Argentina (FVSA) according to the Memorandum of Understanding (MoU) already signed by both institutions. Both partner NGOs have strong experience in the assessment of grassland biodiversity and conservation on private lands. In addition, they maintain working relationships with local farmers and ranchers.

14. Key stakeholders for this project are local farmers and ranchers. Public agencies such as the National Secretary of Environment (SAyDS), INTA and the environment and rural ministries/secretaries in the provinces are involved with the project. Rural and cattle-ranching associations and chambers will also be involved. The National Parks Administration will play a key role given its direct involvement in one of pilot sites: Campos del Tuyú. In addition, three key public agencies have endorsed the project: APN and INTA have provided co-financing, and SAyDS has provided the GEF focal point endorsement.

15. Stakeholders' participation during project preparation has been part of the implementation of a PDF Block B GEF grant. The preparation grant was essential to help achieve consensus and agreements, thus providing the foundation for the project design and proposal. At the same time, the Recipients have an extensive program of activities targeted to grasslands conservation which have been vital in building strong partnerships with local farmers and ranchers as well as with the government.

16. There is an extensive disclosure of information, as well as a safeguards related report, easily accessible at: <http://www.vidasilvestre.org.ar/programaDescripcion.php?idSeccion=30> and <http://avesargentinas.org.ar/cs/conservacion/pastizales.php> .

ANNEX 7. FINANCIAL MANAGEMENT AND DISBURSEMENT ARRANGEMENTS

1. Executive Summary and Conclusion

1. A Financial Management (FM) assessment of the adequacy of the proposed financial management arrangements for the project has been carried out in line with the guidelines issued by the Financial Management (FM) Board on November 2005.

2. The assessment conclusion indicates that the proposed financial management (FM) arrangements for the project meet minimum Bank requirements. The proposed FM, audit arrangements, and mitigation measures will be implemented to mitigate the FM risk. Control risk after the implementation of the proposed mitigation measures is considered moderate. Therefore, overall residual FM risk remains moderate.

2. Country Issues

3. Since the grant recipient is a nongovernmental organization, country FM systems are not relevant for the purposes of the assessment.

4. Given that this operation does not present any complexity for FM no specific complementary measures on standard FM arrangements have been designed for this project.

3. Implementation Arrangements

5. Aves Argentinas and Fundación Vida Silvestre are non-governmental organizations that are responsible for the implementation of the project. Aves Argentinas will act as the main Executing Agency for the project and Fundación Vida Silvestre will act as executing partner.

6. Aves Argentinas and Fundación Vida Silvestre are both legally constituted and properly registered at the Inspección General de Justicia at the Federal Level of Government in Argentina. However both entities are non-government, non-profit organizations, they are subject to compliance with statutory requirements imposed by local legislation and have to comply with annual presentation of audited annual financial statements and submit them before the Inspección General de Justicia.

7. As main Executing Agency, Aves Argentinas will take overall responsibility for project implementation, and chair a Project Steering Committee (PSC). As Executing Partner, the Fundación Vida Silvestre will lead a number of specific project activities.

8. The overall monitoring of the project will be carried out by the Project Steering Committee, with support from a Technical Committee (TC). A Project Steering Committee will be convened by both Executing Agencies to act as the project's coordination and decision-making body. It will comprise two representatives from each of the Executing partners (Aves Argentinas and Fundación Vida Silvestre). The PSC will be responsible for approving project work plans and budgets, endorsing the recruitment and appointment of the Project Manager and project Assistants, approving the contracting of service providers, approving project deliverables, ensuring commitment of resources to support project implementation, and conducting overall project evaluation, among other functions.

9. The Executive Director of Aves Argentinas will chair the PSC and the Project Management Unit (PMU) will provide logistical support.

10. The PMU will provide day-to-day leadership, coordination and administration of the Project. That entails:

- Management and implementation of all project activities including preparation/updates of project work and budget plans;
- Treasury and disbursement activities;
- Record keeping, accounting and reporting;
- Drafting of terms of reference; and
- Detail the necessary adjustments and be the main reporting mechanisms for monitoring project activities.

11. The Executive Director will be the responsible official and contact person for the Bank on all matters concerning the grant, and responsible for all matters relating to financial management matters of the grant i.e., maintenance of separate accounts and records, transactional and financial control, submission of the Statement of Sources and Uses of Funds to external auditors and onward transmission of the audit report to the Bank. It may be noted that all goods and services to be procured out of grant funds will be done using the Bank's procedures.

4. Strengths and Weaknesses

12. Strengths: Expertise and experience of Aves Argentinas and Fundación Vida Silvestre staff that carry out FM functions of existing projects funded by various donors and institutions other than World Bank.

13. Weaknesses: There are no critical FM issues identified for this project.

5. Risk Assessment and Mitigation

14. The FM risk assessment process aims to identify risks and incorporate appropriate risk mitigation measures into project design in order to enable the Bank to make decisions on the appropriate level of assessment and supervision intensity and to allocate FM resources in a manner consistent with the assessed risks.

15. Overall FM risk is considered moderate.

**Table 7.1
Financial Management Risks**

Risk	Residual Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions of Appraisal, Board or Effectiveness
Inherent Risk	Moderate		
Country Level	Moderate		N/A
Entity Level	Moderate	(i) Each organization is subject to statutory requirements of the <i>Inspección General de Justicia</i> and has to prepare and present annually audited financial statements.	N/A
Grant Level Project knowledge of World Bank procedures.	Moderate	(i) Project staffing & organization satisfactory to the Bank, job descriptions, IFRs & financial statement formats, description of specific staffing assigned to these procedures and project audit terms of reference. (ii) Both organizations have experience dealing with donor's requirements and have participated actively in executing projects where United Nations Development Program and Interamerican Development Bank were involved, among other institutions.	N/A
Control Risk	Moderate		
Budgeting	Moderate	(i) Specific budget line will be created for each organization individual budgets, to monitor allocations of GEF funds.	N/A
Accounting	Moderate	FM system is acceptable to the Bank.	N/A
Internal Control	Moderate	(i) Include detailed FM processes and level of responsibility in the individual organization administrative procedures. (ii) Enhanced Supervision by the Project Steering Committee.	N/A
Funds Flow	Moderate	(i) Bank supervision (see supervision plan) (ii) Semi- annual IUF. (iii) Continuous oversight and day-to-day involvement of the Project Steering Committee composed of both organizations.	N/A
Auditing	Moderate	(i) External audit will be carried out following International Auditing Standards.	N/A
Overall Residual Risk Rating	Moderate		

(*) L= Low M= Modest S= Substantial H= High

6. Internal Control and Internal Audit

16. All financial controls applicable to routine expenditures of Aves Argentinas and Fundación Vida Silvestre, will also apply to the expenditures made from the grant funds. All payments will be approved in

accordance with the schedule of powers in place. All grants related receipts and payments / withdrawals will be reconciled monthly with periodic Bank Statements. Overall internal control processes are acceptable for the Bank.

17. Project Steering Committee will oversee day to day operations and perform control related functions described in implementation arrangements.

7. External Audit Arrangements

18. Financial Audit. The project financial statements will be audited under terms of reference and auditing standards and by an auditor acceptable to the Bank. The audit report shall be submitted to the Bank within six months of each fiscal year or end of period audited. The external audit will cover all funding and expenditures reported in the project financial statements. For audit purposes, the fiscal year will be the calendar year, though audits may cover periods of up to 18 months.

19. The audit reports that will be required to be submitted are presented below:

**Table 7-2
Audit Reports' Schedule**

Audit Report	Due Date (*)
1) Project Specific Financial Statements	June 30
2) Special Opinions	June 30
▪ SOE	June 30
▪ Designated Account	June 30

(*) Note: In the event the audit covers an irregular period of up to 18 months, the due date is six months after the end of period audited.

8. Accounting and Reporting

20. Overall responsibility for accounting and reporting of the grant funds will vest with Aves Argentinas, although both co-executing organizations will use their existing accounting systems. The grant funds will be accounted for in a separately maintained bank account, cash book and separate accounts within existing accounting systems in both co-executing organizations.

21. Ave Argentinas will have the responsibility for the preparation and reporting of the intermediate unaudited financial reports every six months and will present such reports to the Bank not later than 45 days after the close of each calendar semester for monitoring and evaluation purposes, as follows:

- Source and uses of funds, for each semester and cumulative (uses by category),
- Uses of funds by component and,
- Physical progress report for each semester by Project component.

22. All grant related receipts and payments / withdrawals will be reconciled with monthly bank statements.

23. All equipments purchased will be accounted for as assets and maintained in the Organizations inventories.

24. Finance and administrative staff at the organizations will devote their time for the project as needed. Individual consultants will be hired by each organization as well.

25. Interim Unaudited Financial Reports (IUFRRs) will be solely used for reporting purposes and will be part of the progress reports of the project.

26. Draft format of Annual and Interim Financial Statements will be prepared by the Project and reviewed by the Bank by Negotiations.

9. Standard Conditions

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions in the Grant Agreement.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

10. Disbursement Arrangements

28. Grant funds will flow through directly from the World Bank to a designated account opened by Aves Argentinas. Aves Argentinas has agreed to open a specific bank account in US dollars at Banco de la Nación Argentina, or other reputable commercial Bank that will be operated in accordance with the Bank's operational policies.. Aves Argentinas and Fundación Vida Silvestre will also open each an account in pesos argentinos at Banco de la Nación Argentina or other commercial Bank.

29. The PMU will prepare the annual budget requirements. The annual work plan and budget will be approved by the Project Steering Committee.

30. The following Disbursement Methods may be used under the Grant:

- Reimbursement
- Advance
- Direct Payment

31. Disbursements from Grant will be made based on advances and subsequent reimbursements. The Bank will finance actual expenditures that are made on grant components as reported in the IUFRRs. All expenditures reported in the IUFRRs will be subject to confirmation/certification by the external audits. Any discrepancies between the expenditure reported by the project and audited financial statements will be adjusted in subsequent disbursements.

32. The Authorized Allocation of the designated account is set at an initial amount of \$100,000 of the grant. The project will submit withdrawal applications to the Bank for replenishment of the designated account or reimbursement.

33. Grant proceeds will be withdrawn by using the advance method with supporting documentation based on Statement of Expenditures (SOE). Direct payments to suppliers from the Grant Account may be used as well.

34. GEF proceeds will be disbursed against the following expenditure categories:

**Table 7-3
Disbursements per Expenditure Category**

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods and Non-consultant service	305,933	100%
(2) Consultants services	416,267	100%
(3) Training and Workshops	87,800	100%
(4) Operating Costs	90,000	100%
TOTAL AMOUNT	900,000	

35. All consolidated SOEs documentation would be maintained by PIU for post-review and audit purposes for up to one year after the final withdrawal from the Grant account.

36. Direct Payments supporting documentation will consist of records (e.g.: copies of receipts, supplier/ contractors invoices).

37. Ave Argentinas will have access the Bank’s Client Connection webpage to facilitate periodically reconciliations among its own ledgers, bank statements and the Bank disbursement records.

11. Supervision Plan

40. The initial supervision planning is presented in the table below. The supervision scope will be adjusted by the assigned FMS according to the fiduciary performance and updated risk.

**Table 7-4
Financial Management Supervision Plan**

Type	Timing	Mechanism	Objective
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On-site Visit	General Supervision: Once a year.	Integrating supervision missions.	<ul style="list-style-type: none"> ◆ Review FM performance. ◆ Follow up on External Auditors - ◆ Recommendations / raised issues. ◆ Review control. ◆ Update assigned risk. ◆ Transactions review as needed
IUFRs Review	Semiannually	Over the IUFRs submitted to the Bank.	<ul style="list-style-type: none"> ◆ Review IUFRs information consistency. ◆ Raise issues disclosed in IUFRs.
Audit Review	Once a Year	Over the Audit Report submitted to the Bank	<ul style="list-style-type: none"> ◆ Raise issues disclosed in Audit Report

12. Action Plan

41. Financial management actions to be completed by the Project Management Unit are reflected in the table below.

Table 7- 5
Financial Management Action Plan

Action	Responsible Entity	Completion Date	Status
1. Prepare the external auditing Terms of Reference to be approved by the Bank	PMU	By Negotiations	
2. IUFRRs format approved by the Bank.	PMU	By Negotiations	
3. Set a separate budget line in the annual budget to keep track of project financial execution	PMU	First year annual budget and thereafter	

ANNEX 8. PROCUREMENT ARRANGEMENTS

A. General

1. Procurement for the proposed project would be carried out in accordance with Bank's "Guidelines: Procurement Under IBRD Loans and IDA Credits" and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised in October 2006, and the provisions stipulated in the Grant Agreement. Goods and non consultant services procured under the diverse categories, as well as consultant services are described in a general way in the following paragraphs. For each one of the contracts to be financed with resources of the donation, the procedures of contracting or the method of selection of the consultants, the need of pre-qualification, requests of prior review, will be agreed between the executing agency and the Bank in the Procurement Plan. This Procurement Plan will be updated annually or as to reflect the actual Project implementation needs and improvements in institutional capacity
2. The implementing agency of the project is the World Bank while the Asociación Aves Argentinas AOP will take direct responsibility for project execution and Fundación Vida Silvestre Argentina will act as executing partner. Both, Aves Argentinas and Fundación Vida Silvestre Argentina are civil, not for profit organizations (NGOs), and therefore do not pursue a financially profitable goal. They both have been instituted to comply with the civil code of the Republic of Argentina. Procurement under the project is not regulated by the Federal Laws⁸.
3. The procurement methods for goods, non consultant and consultant services are described further below. Table A8.4 suggests the thresholds to be used in the Procurement Plan for the diverse methods of contracting services and individuals for the project.
4. This annex also treats the Capacity Assessment in Procurement of the Beneficiary.
5. **Procurement Methods.** Procurement under de Project include specified activities in five components, (1) technical assistance activities for development of a responsible production model for the Argentine Pampas grasslands; (2) technical assistance activities for validation and demonstration of a responsible production model; (3) investment related activities for sharing of the responsible production model with a wider audience (nationally and regionally); (4) technical assistance activities for building of the responsible production model into policy and regulatory frameworks; and (5) project management.
6. **Procurement of works.** No works contracts are to be financed under the project.
7. **Procurement of goods, non consultant services and related training expenses.** The grant will finance the purchase of vehicles for field activities to be used by the technicians providing technical assistance and training to communities; computers, furniture and communications equipment, and smaller items such as tools and implements that the beneficiaries will purchase for the implementation of project activities in selected pilot areas, through comparison of written quotations. For small purchases costing less than US\$5,000, direct contracting will be acceptable. PCs and other electronic devices, software and office equipment will be procured by Aves Argentinas through shopping (comparison of written quotations). Non consultant services, mainly the contracting of installations and other services for the execution of workshops, training programs and dissemination of the experiences will be procured through administrative procedures that include the direct contracting of available installations and payment for each participant. Immediately after effectiveness, the Recipient and the Bank will agree in detail the maximum cost of each participant in relationship to the type of workshop, training or seminar;

⁸ Per legal framework defined under Decree 1023/2001 -Régimen General de Contrataciones de la Administración Pública Nacional- and Decree 3436/200 -Reglamento de Contrataciones-.

this cost will be able to be brought up to date periodically subject to agreement with the Bank. In this case the cost estimate should identify proportional cost of personnel, materials and travel, to make them eligible. Non consultant services may consider also communication strategies for replicability of pilot schemes and increased awareness of economic and social benefits, including materials or dissemination and training.

8. **Selection of Consultants** .Consultant services will be procured using Bank's guidelines and include studies, workshops, analysis and specialized advisory. Consultant services over US\$100,000 are not foreseen.

9. **Firms:** Consultant services by firms will not be procured for implementation of the project. In the framework of an overall service agreement already entered into with the Consejo Nacional de Investigaciones Científicas y Tecnológicas (CONICET), technical assistance for management of grasslands will be provided under a specific service agreement.

10. **Individual consultants:** Specialized advisory would be provided by individual consultants and hired in accordance with the provisions of paragraph 5.1 to 5.3 of the Consultant Guidelines and the Procurement Plan.

11. **Operating Costs.** Office utilities, office equipment and supplies, reasonable commercial banking charges and fees, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travels, per diem, supervision cost, salaries and minor office refurbishing will be financed by the project and procured using direct contracting and shopping procedures, as the case may be.

12. **Thresholds for Prior Review:** The activities subject to prior review will be detailed in the Procurement Plan and they should include all the direct contracting except in the case of purchases made for project activities in pilot sites.

B. Agency Capacity Assessment to Implement Procurement Functions.

13. Procurement activities for all project components will be carried out by the PIU created within Aves Argentina.

14. An assessment of the capacity of the implementing agencies to undertake procurement actions for the project was performed by Keisgner D. Alfaro, Senior Procurement Specialist (LCSP) on August 28, 2009. The assessment reviewed the organizational structure for implementing the project. The key issues and risks concerning implementation of project procurement were identified and are summarized as follows:

(a) Legal aspects and procurement practices. The national laws only cover procurement by the central administration and decentralized agencies of the executive branch. Government owned enterprises, the legislative and judicial branches of government, the provinces and the City of Buenos Aires have their own public procurement rules and regulations. Aves Argentinas and Fundación Vida Silvestre Argentina have accumulated procurement experience under grant-financed projects under IADB administrated-funds and GEF. Procedures and practices applied by each NGO in projects implemented in the past for procurement of goods, non-consultant and consultant services are not regulated by the provisions of government regime and were similar to commercial practices used at the private sector.

(b) Management of the procurement cycle. Aves Argentinas does not have accumulated experience in competitive bidding under Bank-financed projects but it had carried out procurement in small amounts by request of quotations. Although limited, its experience would be sufficient to manage procurement processes as no competitive bidding process is expected under this project for procurement of goods and

non-consultant services. Procurement planning is weak due to the fact that the agency works by project; each project has its own budget and procurement requirements. In the past, this NGO has carried out procurement processes with use of quotations for the purchase of office material and supplies, and minor refurbishing with small values. Contracting of consultant services is regularly coordinated with the Director of Aves Argentinas. In the context of this project, a similar approach will be followed for procurement of consultant services. Aves Argentina's Director would be assisted by Area Coordinators from the field, who will be responsible also for providing overall coordination and technical assistance to beneficiary producers. Procurement risks linked to project implementation will be mitigated with the implementation of a Procurement Plan and monitoring through SEPA.

(c) Organization and functions. A Project Steering Committee (PSC) will be the highest level decision-making body. The Executive Director of Aves Argentinas will chair the Committee and be assisted by a Project Executing Unit (PEU) that will provide logistical support. PSC meetings will be held, as necessary, (but not less than once every six months) to review implementation progress, approve project work plans and approve major project deliverables.

A Project Executing Unit (PEU) to be created in Aves Argentinas will be responsible for overall execution and administration. Its organizational structure will be comprised of a Project Manager, assisted in-house by a Project Assistant and a Project Administrator. Project Area Coordinators, in a number of 2, will be assigned to 4 project pilot areas and assisted by 1 Technical Assistant in each area. National and international consultants will provide technical assistance in a manner similar to that performed by Extension Agents to end beneficiaries in a range of tasks encompassing amongst others, the preparation of Terms of Reference and technical specifications, the review and evaluation of consultants proposals. The Project Manager will liaise and work closely with all interested stakeholders, at national and international levels, and link the project with complementary national and regional programs and initiatives. Procurement tasks will be carried out by a Project Administrator who will coordinate his / her work closely with the Project Manager, Area Coordinators and specialized consultants, these latter will assist in the selection of consultants required in the field.

(d) Support and control systems. As part of public scrutiny to which Aves Argentinas and Fundación Vida Silvestre Argentina are regularly subjected to public scrutiny. In particular, financial statements are annually audited by external consultant firms and delivered to Inspección General de Justicia, the national regulatory agency of NGOs (Asociaciones Civiles). In the case of Fundación Vida Silvestre Argentina, financial reviews are regularly conducted by external audit firms while Aves Argentina contracts certified public accountants for identical purpose.

Both agencies have control mechanisms in place for management of procurement processes and contracting. In the case of Aves Argentinas, requests of purchase authorizations and award are submitted to and approved by the Board Committee, while reviews / clearances in Fundación Vida Silvestre are performed at different levels of the organization such as, the Directorate General, the Directorate of Conservation, the project Coordinator and the Directorate of Administration.

(e) Record keeping. The organization has a designated an office area adequate for keeping the project administrative files. The documentation in original is kept in both Aves Argentinas and Fundación Vida Silvestre while a full set of copies are forwarded to donors agencies.

(f) Staffing. PEU staff and advisory services, if needed, will be selected and employed in agreement with the Bank. Project staff within the PEU will consist of a Project Manager, assisted by a Project Assistant and a Project Administrator. Overall preparation and monitoring of the procurement plan and coordination of procurement processes will be assigned to the Project Administrator, assisted by Area Coordinators. Although limited, PEU staff is knowledgeable of MLDB procurement procedures and have experience at the implementation of Bank-financed projects. Since project procurement will consist of the

selection of individual consultants and small-value purchases of goods and non-consultant services, no significant procurement risks were identified.

Based upon the issues above, the overall project risk for procurement is *Average*. The overall residual project risk for procurement—after mitigation measures—will be *Low*.

Table A8.1. Procurement Risk Mitigation Measures

Risk Factor	Mitigation Measure
(a)	The Special Procurement Provisions listed in Section F shall apply to project procurement.
	Procurement must be done in accordance with procedures described in the Grant Agreement using shopping documents acceptable to the Bank. Also, sample documents for section and employment of individual consultants will be prepared and agreed with the Bank team.
	Procedures established in the Consultants Guidelines will apply to all processes involving selection of individual consultants and procurement of goods and non-consultant services. Though not foreseen, Bank Standard Request of Proposals developed by the Bank must be used for selection of consultant firms, if needed.
(b)	The PEU will incorporate the Procurement Plan in SEPA and monitor management of procurement with this tool.
(a), (c) and (f)	Prior review requirements as defined in Section F will apply.

C. Procurement Plan.

15. The Recipient will developed a procurement plan for the implementation of project components that provides the basis for the procurement methods. A detailed plan of the first 18 months of execution will be developed prior to the grant approval by the Bank. This plan will be agreed between the Borrower and the Project Team and will be available at SEPA [www.iniciativasepa.org] within 30 days of grant effectiveness. The Procurement Plan will be updated in agreement with the project team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

D. Frequency of Procurement Supervision

16. In addition to the prior review supervision to be carried out from Bank offices, the capacity assessment of Aves Argentinas has recommended annual supervision missions to visit the field and carry out post review of procurement actions. Ten percent of the processes processed during the period will be reviewed.

E. Details of the Procurement Arrangements Involving International Competition

1. Goods, Works, and Non-Consulting Services

- a) List of contract packages to be procured following ICB and direct contracting (Table A8.3; TBC during appraisal):

Table A8.2: Contract Packages to be Procured Following ICB

1	2	3	4	5	6	7	8	9
Ref. No.	Contract (Description)	Estimated Cost	Procurement Method	P-Q	Domestic Preference	Review by Bank (Prior / Post)	Expected Bid-Opening	Comments

					(yes/no)		Date	
	None							

- b) The Bank’s prior review process applies to all goods and non-consulting services bids that exceed an estimated sum of US\$500,000, to direct contracting that exceed an aggregated amount of USD 100,000 and to the first two processes of each expense category, each procurement method and each executing agency.

2. Consulting Services

- a) List of consulting assignments with short-list of international firms (Table A8.4; TBC before grant’s approval by the Bank):

Table A8.3: Consulting Assignments

1	2	3	4	5	6	7
Ref. No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Expected Proposals Submission Date	Comments
	None					

- b) The Bank’s prior review process applies to all bids of consulting firms selections that exceed an estimated sum of US\$200,000, to direct contracting that exceeds US\$100,000 and to the first two processes of each expense category, each procurement method and each executing agency.
- c) Short lists composed entirely of national consultants: Short lists of consultants for services estimated to cost less than US\$500,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Table A8.4. Procurement methods and thresholds for Bank review

Category of Procurement	Contract Value (US\$)	Procurement Method	Prior Review Thresholds ⁶
1. Goods and services (other than consultant services)	<100,000	Shopping	First contract ⁷
	> 5,000	DC	All ⁷
	< 5,000	DC	None
2. Consultant services by Firms	<100,000	QCBS	First contract ⁷
3. Consultant services by Individuals		IC	All contracts through single source and above US 50,000 and the first contract to be awarded
3. Training (includes Expenses for organization & conducting of workshops)	< 3,000	Direct Contracting	Post review
	= > 3,000	Price comparison	First contract in project lifetime Each contract with estimated cost >30,000 ⁷

6. Thresholds may be revised upon submission and review of the Procurement Plan

7. Not foreseen.

F. Special Procurement Provisions

The following provisions shall apply to procurement under the project:

General

- All procurement shall be done using standard bidding documents, standard requests for proposals, model bid evaluation forms, model proposal evaluation forms and contract forms previously agreed with the Bank. As for consultant services contracts, only the types of contracts listed in Section IV of the Consultant Guidelines may be used.
- Foreign and local contractors, service providers, consultants and suppliers shall not be required to: (a) register; (b) establish residence in Argentina; or (c) enter into association with other national or international bidders as a condition for submitting bids or proposals.
- Contracts of goods and services—other than consulting services—shall not be awarded to the “most convenient” bid but to the one that has been determined to be substantially responsive and the lowest evaluated bid, provided that further the bidder is determined to be qualified to perform the contract satisfactorily.
- The Borrower: (a) will feed the Bank publicly accessible Procurement Plans Execution System (SEPA) within 30 days of loan effectiveness with the information contained in the initial Procurement Plan and (b) will update the Procurement Plan through SEPA at least biannually or as required to reflect the actual project implementation needs and progress.
- Bidders and consultants shall not be allowed to review or make copies or others bidders’ bids or consultants’ proposals, as the case may be.
- Bidding documents for NCB shall include anti-corruption clauses, including those that give the Bank audit rights over bidders, suppliers, contractors and consultants, acceptable to the Bank. These clauses shall be substantially identical to those pertaining to Bank Standard Bidding Documents for ICB.

- A two-envelope system of procurement will not be used for the procurement of goods or services (other than consultant services).
- Compliance with ISO quality standards shall not be required to foreign bidders. Local bidders may be requested to comply with such standards whenever mandated by local law.