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Provisional agenda item 14(g)

**GCF/B.18/04/Add.12**

11 September 2017

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# Consideration of funding proposals – Addendum XII

## Funding proposal package for FP057

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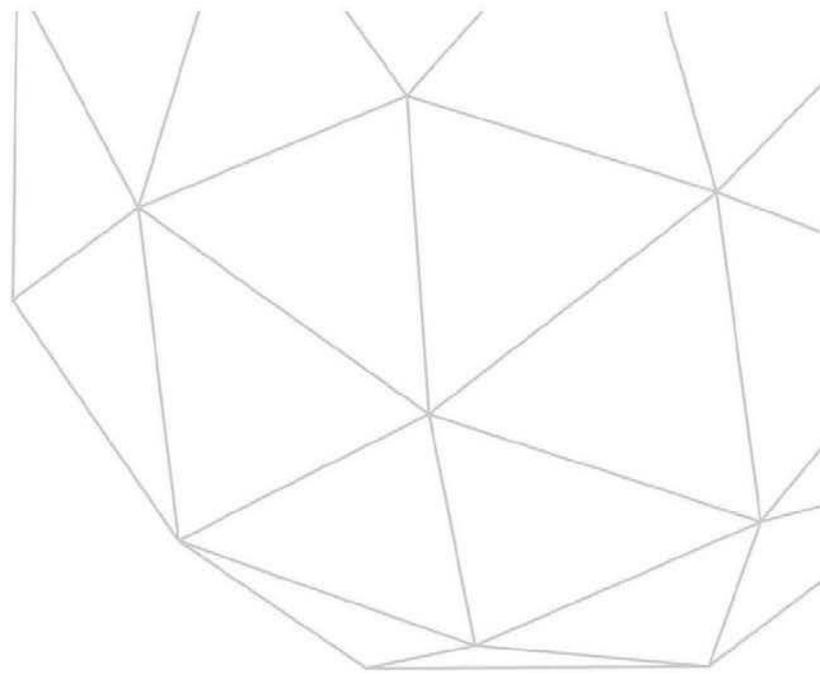
### **Summary**

This addendum contains the following three parts:

- a) A funding proposal summary titled “Climate action for rural development: community-based adaptation and mitigation in Argentina”;
- b) No-objection letters issued by the national designated authority(ies) or focal point(s); and
- c) Environmental and social report(s) disclosure;



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# Funding Proposal

Version 1.1

**The Green Climate Fund (GCF) is seeking high-quality funding proposals.**

Accredited entities are expected to develop their funding proposals, in close consultation with the relevant national designated authority, with due consideration of the GCF's Investment Framework and Results Management Framework. The funding proposals should demonstrate how the proposed projects or programmes will perform against the investment criteria and achieve part or all of the strategic impact results.

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Section A	<b>PROJECT / PROGRAMME SUMMARY</b>
Section B	<b>FINANCING / COST INFORMATION</b>
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### *Note to accredited entities on the use of the funding proposal template*

- Sections **A, B, D, E** and **H** of the funding proposal require detailed inputs from the accredited entity. For all other sections, including the Appraisal Summary in section F, accredited entities have discretion in how they wish to present the information. Accredited entities can either directly incorporate information into this proposal, or provide summary information in the proposal with cross-reference to other project documents such as project appraisal document.
- The total number of pages for the funding proposal (excluding annexes) is expected not to exceed 50.

**Please submit the completed form to:**

[fundingproposal@gcfund.org](mailto:fundingproposal@gcfund.org)

Please use the following name convention for the file name:

“[FP]-[Agency Short Name]-[Date]-[Serial Number]”

A.1. Brief Project / Programme Information		
A.1.1. Project / programme title	<b>Climate Action for Rural Development: community-based adaptation and mitigation in Argentina</b>	
A.1.2. Project or programme	programme	
A.1.3. Country (ies) / region	Argentina	
A.1.4. National designated authority (ies)	National Direction of Projects with International Credit Agencies (DNPOIC)	
A.1.5. Accredited entity	UCAR- Unit for Rural Change of Argentina	
A.1.5.a. Access modality	<input checked="" type="checkbox"/> Direct <input type="checkbox"/> International	
A.1.6. Executing entity / beneficiary	Executing Entity: UCAR Beneficiary: 5 micro regions in the North of Argentina (Yavi, West of Formosa, Oriental Chaco, Los Llanos, Valles Calchaquies salteños)	
A.1.7. Project size category (Total investment, million USD)	<input type="checkbox"/> Micro ( $\leq 10$ )	<input checked="" type="checkbox"/> Small ( $10 < x \leq 50$ )
	<input type="checkbox"/> Medium ( $50 < x \leq 250$ )	<input type="checkbox"/> Large ( $> 250$ )
A.1.8. Mitigation / adaptation focus	<input type="checkbox"/> Mitigation <input type="checkbox"/> Adaptation <input checked="" type="checkbox"/> Cross-cutting	
A.1.9. Date of submission		
A.1.10. Project contact details	Contact person, position	Mario Nanclares
	Organization	UCAR- Unit for Rural Change of Argentina
	Email address	mnanclares@prosap.gov.ar
	Telephone number	(+5411) 4349-1300 Int.: 1311
	Mailing address	Av. Belgrano 456 – PB (C1092AAR), Autonomous City of Buenos Aires, Argentina

A.1.11. Results areas <i>(mark all that apply)</i>
<p><b>Reduced emissions from:</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Energy access and power generation (E.g. on-grid, micro-grid or off-grid solar, wind, geothermal, etc.)</li> <li><input type="checkbox"/> Low emission transport (E.g. high-speed rail, rapid bus system, etc.)</li> <li><input checked="" type="checkbox"/> Buildings, cities and industries and appliances (E.g. new and retrofitted energy-efficient buildings, energy-efficient equipment for companies and supply chain management, etc.)</li> <li><input checked="" type="checkbox"/> Forestry and land use (E.g. forest conservation and management, agroforestry, agricultural irrigation, water treatment and management, etc.)</li> </ul> <p><b>Increased resilience of:</b></p>

- ✓ Most vulnerable people and communities  
(E.g. mitigation of operational risk associated with climate change – diversification of supply sources and supply chain management, relocation of manufacturing facilities and warehouses, etc.)
- ✓ Health and well-being, and food and water security  
(E.g. climate-resilient crops, efficient irrigation systems, etc.)
- ✓ Infrastructure and built environment  
(E.g. sea walls, resilient road networks, etc.)
- ✓ Ecosystem and ecosystem services  
(E.g. ecosystem conservation and management, ecotourism, etc.)

## A.2. Project / Programme Executive Summary (max 300 words)

Please provide a brief description of the proposed project/programme, including the objectives and primary measurable benefits (see [investment criteria in section E](#)). The detailed description can be elaborated in [section C](#).

*The objective of the Programme is to promote community-based adaptation and low-carbon development in micro-regions that are vulnerable to climate variability.*

This objective will be attained through: (i) awareness raising on the impact of climate change, and the generation of capacity to design and implement local adaptive and mitigation strategies; (ii) the development of resilient infrastructure, the promotion of sustainable natural resource management, the adoption of low-carbon and climate-resilient agriculture, and the transformation of the generation and access to energy from renewable sources.

The EDA Programme is built on the generated capacities and lessons learned from the execution of rural development programmes executed by UCAR, and will contribute to incorporate climate change investment to increase the resilience of rural communities whilst reducing greenhouse gas emissions.

The Programme will be executed in a five-year period considering a direct target population of 5,750 families (that is to say, 28,750 beneficiaries).

The Programme will work in 5 vulnerable micro-regions to climate change:

- Yavi Micro-region (Jujuy Province)
- West of Formosa Micro-region (Formosa Province)
- Oriental Chaco Micro-region (Chaco Province)
- Los Llanos Micro-region (La Rioja Province)
- Valles Calchaquíes Salteños Micro-region (Salta Province)

In order to promote sustainable, inclusive and resilient development of the micro-regions, the Programme plans to develop Mitigation and Adaptation Plans that integrate adaptation and mitigation measures in the form of projects. These projects will constitute cross-cutting investment priorities and may include several result areas of the GCF: resilient infrastructure, sustainable natural resource management, low-carbon and climate-resilient agriculture, and the transformation of the generation and access to energy to renewable sources.

The Programme is instrumented through three principal components:

**Component 1 - Capacity building and community-based planning:** The necessary capabilities will be developed for the planning of mitigation and adaptation strategies to climate change and for the developing of proposals to access the grant facility. Such component is essential to create awareness on climate change impacts, generate capacity at local and sub-national levels, and foster the development of comprehensive ambitious plans on climate change at a local level.

**Component 2 - Mitigation and adaptation actions:** This component will provide the necessary financing to empower the micro-region in the execution of actions and projects that will allow them to reduce their vulnerability in the face of climate change and to develop strategies oriented to a low-carbon development.

**Component 3 - EDA Programme management and M&E:** This component encompasses the activities of management and supervision of the Programme, both at a central level and in the territory.

### A.3. Project/Programme Milestone

Expected approval from accredited entity's Board (if applicable)	07/26/2017
Expected financial close (if applicable)	
Estimated implementation start and end date	Start: 01/01/2018 End: 31/12/2022
Project/programme lifespan	5 years



## B.1. Description of Financial Elements of the Project / Programme

### **How the choice of financial instruments will overcome barriers and achieve project objectives, and leverage public and/or private finance**

The financial tools proposed in the Programme will allow to promote the use of technologies and practices that have a positive impact on adaptation and mitigation and which are currently not implemented due to lack of knowledge of rural producers and local institutions.

In the same way, at present local institutions do not have the capacity to face threats arising from the intensification in climate variability without the help of external funds. That is why the grant facility windows will provide financial tools strategically designed to enhance adaptation and mitigation at various scales of beneficiaries.

One of the major innovations of the Programme is to reduce the obstacles to investment in climate change actions: the project is to promote access to grants in order to install and spread the adaptation and mitigation technologies, and in parallel to establish revolving funds in order to ensure sustainability and overcome the barrier of the lack of access to credit.

**i. Window<sup>1</sup> 2.1 – Systemic projects of public investments:** Non-reimbursable grant of up to 80% of the investment for public works will allow overcoming the limitations of the micro-regions regarding financial constraints and deficiencies in resilient infrastructure and sustainable management of natural resources that contribute to both adaptation and mitigation of GHG. In turn, said financial tool will also allow leveraging additional public finance.

The beneficiaries must co-finance at least 20% of the total cost of the project, and the contribution may be in money or in-kind. A higher co-finance may be requested based on a case-by-case analysis, as appropriate, according to the sub-project in question.

**ii. Window 2.2 - Adaptation and mitigation projects for organizations and associations of smallholders:** Small producers are not capitalized and have no access to financing. They mostly carry out subsistence farming and are extremely sensitive to climate change because their livelihoods depend on climate related activities such as agriculture and livestock. These smallholders are very vulnerable to climate change and have very low adaptive capacities, and they are unaware of certain tools and practices for adaptation and mitigation to climate change.

Non-reimbursable grants are intended for small rural producers (whether they are on-farm or associative investments). It is considered appropriate to have Non-reimbursable grants of up to 90% of the total investment and the beneficiaries must co-finance at least 10% of the total cost of the project, and their contribution may be performed in cash, in kind or labour.

Self-Managed Revolving Funds (SMRF) associated to the adaptation and mitigation projects financed by the previously mentioned Non-reimbursable grants. These funds made up of resources (in money or in kind), managed by an organization of rural producers with a degree of institutional maturity, previously evaluated and trained, with the objective of making small loans to its associates, which the Organization recovers in order to lend them again.

The use of successful revolving funds will contribute to the sustainability of the projects, helps the organization to strengthen its administrative capacities and therefore empowers the community.

Funds from UCAR to the rural organizations that will manage them as self-managed revolving funds will be transferred as non-reimbursable grants. This means that the funds will be allocated to the organizations for the settlement of the revolving funds, and UCAR won't receive any money back from the operation of this activity. On the other hand, funds from the organizations to the borrowers will be transferred as loans at low interest (in money or in kind). The members of the organization, the borrowers, will return the loan according to previously established

<sup>1</sup> The terms Outputs/Outcomes/Windows used along the Funding Proposal are interchangeable.

guidelines, and according to the agreement signed between the borrower and the organization (please refer to Annex I for models of agreements between UCAR and the organizations and between the latter and the borrowers). Once the loan is returned to the organization, the funds will be assigned to new members of the organization, in order to continue with the functioning of the revolving fund.

For further details on SMRF please refer to sections C.3 and C.7.

Each one of the financial instruments included in the Programme foresee the signing of a contract between the grant provider (UCAR) and the beneficiary once the project is approved and before the grant is provided. These contracts (please refer to Annex I for model contracts for the different type of grants) establish the obligations of each one of the signatory parties, including the grantees co-financing obligation.

Besides, for Window 2.1 the Programme will request for basic financial and physical indicators to be reported in a period to be determined, including the monitoring and report of the local co-finance. The Programme will conduct as well regular audits in order to monitor the functioning.

For non-reimbursable grants on Window 2.2 the Programme foresees partial disbursements, assuring that the amount disbursed and the contribution of co-finance corresponding to the stage of the project will be fully paid before a new disbursement is made.

The expense report must be made according to procedures contained in a Manual that will be delivered to the beneficiaries at the time of signing the agreement.

In addition, a technician in territory will accompany the beneficiary during the execution of the project and will provide assistance to make the acquisitions and draw up the accountability documents.

The analysis of expense report will be carried out by the Technical Implementation Unit (please refer to section C.7 Institutional Arrangements in the Funding Proposal for more details on the Technical Implementation Unit). They will issue an opinion regarding the verifiable products, the technical relevance of the expenses, as well as the validity of the vouchers presented.

Finally, it is important to highlight that the feasibility of co-financing by ultimate beneficiaries has been assessed based on the broad experience that UCAR has working in territory with the profile of beneficiaries the Programme will work with and with the instruments the Programme aims to work with too.

Please refer to Chapter 3 in the Feasibility Study for more details on the Programme's Financial Elements.

### Breakdown of cost estimates

A breakdown of cost estimates for total project costs and GCF financing by Outcome in US Dollars is provided below. In the final version of the Funding proposal, definition of budget in local currency will be included.

Component	Outcome (if applicable)	Amount (for entire project) <sup>2</sup>	Currency	Amount (for entire project)	Local currency	GCF funding amount	Currency of disbursement to recipient
Component 1	Outcome 1.1	0.33	<u>million USD (\$)</u>	.....		0.33	<u>million USD (\$)</u>
Capacity building and community-based planning	Local capacity on climate change generated and awareness raised						

<sup>2</sup> UCAR will provide with a parallel co-financing of at least USD 500,000 from other Programmes that will be implemented in the selected micro-regions.

	Outcome 1.2 Micro-regions with enhanced capacity to lead community-based adaptation and mitigation actions	1.57	<u>million USD (\$)</u>	.....	1.36	<u>million USD (\$)</u>
Component 2 Adaptation and mitigation actions	Outcome 2.1 Systemic projects of public investment implemented	10.41	<u>million USD (\$)</u>	.....	8.05	<u>million USD (\$)</u>
	Outcome 2.2 Adaptation and mitigation projects for organizations and associations of smallholders implemented	10.50	<u>million USD (\$)</u>		9.50	<u>million USD (\$)</u>
Component 3 EDA Programme Management and M&E	Outcome 3.1 Programme Management	2.81	<u>million USD (\$)</u>		2.14	<u>million USD (\$)</u>
	Outcome 3.2 Monitoring and Evaluation	0.71	<u>million USD (\$)</u>		0.68	<u>million USD (\$)</u>
Total project financing		26.33	<u>million USD (\$)</u>		22.06	<u>million USD (\$)</u>

A breakdown of cost/budget by expenditure type is provided below. Please refer to Timetable of programme implementation in ANNEX V and Budget in ANNEX VI.

<b>Expenditure type</b>	<b>US Dollars</b>
Grantees cofinance	1.000.000
Grants	9.000.000
Local consultants	3.622.500
Professional/ Contractual Services	934.375

Revolving Funds	500.000
Services / works (infrastructure)	10.000.000
Training, workshops, and conference	534.250
Travel	735.999
<b>Total</b>	<b>26.327.124</b>

### Disbursement schedule

For the Disbursement Schedule please refer to the Term Sheet in Annex XII.

## B.2. Project Financing Information

	Financial Instrument	Amount	Currency	Tenor	Pricing		
<b>(a) Total project financing</b>	<b>(a) = (b) + (c)</b>	26.33	<u>Options</u> <u>million</u> <u>USD(\$)</u>				
<b>(b) GCF financing to recipient</b>	(i) Senior Loans	.....	<u>Options</u>	( ) years	( ) %		
	(ii) Subordinated Loans	.....	<u>Options</u>				
	(iii) Equity	.....	<u>Options</u>	( ) years	( ) %		
	(iv) Guarantees	.....	<u>Options</u>		( ) % IRR		
	(v) Reimbursable grants *		<u>Options</u>				
	(vi) Grants *	22.06	<u>million</u> <u>USD(\$)</u>				
	* Please provide economic and financial justification in <a href="#">section F.1</a> for the concessionality that GCF is expected to provide, particularly in the case of grants. Please specify difference in tenor and price between GCF financing and that of accredited entities. Please note that the level of concessionality should correspond to the level of the project/programme's expected performance against the investment criteria indicated in <a href="#">section E</a> .						
	Total requested (i+ii+iii+iv+v+vi)	22.06	<u>Options</u>				
<b>(c) Co-financing to</b>	<b>Financial Instrument</b>	<b>Amount</b>	<b>Currency</b>	<b>Name of Institution</b>	<b>Tenor</b>	<b>Pricing</b>	<b>Seniority</b>

recipient	<u>Options</u>	1.00	<u>Options</u>	Grantees	( )	( ) %	<u>Options</u>
	<u>Options</u>	2.00	<u>Options</u>	Local government	years	( ) %	<u>Options</u>
	<u>Options</u>	1.27	<u>Options</u>	UCAR	( )	( ) % IRR	<u>Options</u>
	<u>Options</u>	.....	<u>Options</u>	.....	years	( ) % IRR	<u>Options</u>

Lead financing institution: Local governments

The 1.0 million USD co-finance covered by grantees was calculated taking into account the co-finance requirements established for the financial element proposed for organizations and associations of small-scale agriculture family producers.(10% for subcomponent 2.2).

The 2 million USD co-finance covered by local governments was calculated taking into account the 20% co-finance requirement established for sub-component 2.1: systemic projects of public investment.

Co-finance provided by UCAR (1.27 million USD) will be principally destined to development outcomes of the micro-regions, thus allowing the destination of GCF funds to cover climate action to increase resilience and catalyze a low carbon development.

Besides, UCAR will provide with a parallel co-financing of at least USD 500,000 from other Programmes that will be implemented in the selected micro-regions.

*Please find attached in Annex IX a letter of commitment issued by UCAR. The co-finance by the grantees is subject to the definition of the projects to be financed, therefore, once the projects are clearly defined, UCAR will be attaching the required co-finance letters from the grantee to the annual performance report.*

*In cases where the accredited entity (AE) deploys the GCF financing directly to the recipient, (i.e. the GCF financing passes directly from the GCF to the recipient through the AE) or if the AE is the recipient itself, in the proposed financial instrument and terms as described in part (b), this subsection can be skipped.*

(d) Financial terms between GCF and AE (if applicable)

*If there is a financial arrangement between the GCF and the AE, which entails a financial instrument and/or financial terms separate from the ones described in part (b), please fill out the table below to specify the proposed instrument and terms between the GCF and the AE.*

Financial instrument	Amount	Currency	Tenor	Pricing
Choose an item.	.....	<u>Options</u>	( ) years	( ) %

*Please provide a justification for the difference in the financial instrument and/or terms between what is provided by the AE to the recipient and what is requested from the GCF to the AE.*

### B.3. Financial Markets Overview (if applicable)

*Not applicable.*

Please fill out applicable sub-sections and provide additional information if necessary, as these requirements may vary depending on the nature of the project / programme.

## C.1. Strategic Context

*Please describe relevant national, sub-national, regional, global, political, and/or economic factors that help to contextualize the proposal, including existing national and sector policies and strategies.*

**Argentina's socio-economic context:** Argentina is a federal country comprising 23 provinces and the Autonomous City of Buenos Aires, covering a total of 2,780,000 km<sup>2</sup>, with an estimated total of 43,590,368 inhabitants for year 2016 according to INDEC, of which 21,364,470 are men and 22,225,898 are women.

Regarding World's Human Development Index<sup>3</sup>, Argentina occupies position N° 40 with a value of 0.836, life expectancy at birth is 76.3%, and the population inhabiting urban centers is 93%.

Rural population reached a total of 3,599,764 in 2010. Over the last sixty years Argentina's rural population has shown a decrease due to three factors: 1) the technological progress of the agricultural activity requires less labour force due to greater automation of chores; 2) transformations in the agricultural sector have caused an increase in the scale of agricultural production and a reduction of the number of agricultural producers; 3) an increase in migration to urban centres in search of basic services, such as potable water, electricity, schools, housing, etc.

During 2010, indigenous population or descendants of indigenous people added up to a total of 955,032 people which represented 2.4% of the population.

**Great North of Argentina:** The Great North of Argentina is composed by the North West (NOA) and North East (NEA) regions<sup>4</sup> of Argentina. This territory has been given priority on account of: i) the high levels of rural poverty, ii) a strong presence of small-scale producers and/or indigenous communities, iii) high vulnerability to climate change, and iv) presence of institutional commitment.

The Gross Domestic Product per capita in the Great North barely exceeds half of the national average. This region accounts for 20% of the country's population and accounts with 54% of the country's households with Unsatisfied Basic Needs (NBI). Likewise, 57% of the country's illiterates are in this region, whose provinces show levels of illiteracy (2.5-5.5%) higher than the national average (2%).

The region presents the highest national level regarding unemployment (NOA: 14.9%; NEA: 12.8%; national average: 9%, 2011), as well as very significant rates of precarious employment and unstable underemployment (NOA: 30.5% and 15.7%, respectively; NEA: 34.3 and 15.6%, respectively). For its part, the development of road infrastructure and communications is deficient relative to the rest of the country.

The country has 251,000 smallholder family farmers, of which many are poor and most live in villages in the country's North region. In 2010, 18% of the rural population and 22% of scattered rural households lived with Unsatisfied Basic Needs.

<sup>3</sup>The Human Development Index (HDI) is an indicator of human development per country, prepared by the United Nations Development Programme (UNDP). It is based on a statistical, social indicator composed of three parameters: long and healthy life, knowledge and a decent standard of living.

<sup>4</sup>Traditionally, Argentina is divided into five economic regions: Great North (divided in North East: Misiones, Corrientes, Formosa and Chaco; and North West: Jujuy, Salta, Tucumán, Catamarca, La Rioja and Santiago del Estero), Centre (Santa Fe, Córdoba and Entre Ríos), Cuyo (Mendoza, San Juan and San Luis), Patagonian (La Pampa, Neuquén, Rio Negro, Chubut, Santa Cruz and Tierra del Fuego, Antártida e Islas del Atlántico Sur) and City of Buenos Aires and Province of Buenos Aires.

**Social context in the North of Argentina:** In the Great North region of Argentina, 98,251 identified family producers have been categorized in categories defined by PROINDER<sup>5</sup>. In this region, 65% of the family producers are considered type A, 20% are type B and 10% are type C. Type A producers (less capitalized) prevail all across the provinces of the Great North region.

As inferred from the information provided by the 2010 Census, for this year, 1,110,852 households and 4,953,206 individuals with NBI were found, representing 9.1% of the country's total households and 12.5% of the population. . The sanitary needs (NBI 2) constitute the predominant typology in households of these regions, with Chaco, Catamarca, Formosa and Santiago del Estero featuring the highest values for this indicator (44.4%, 43%, 42.3%, and 53.2%, respectively).

NOA and NEA regions are the ones with the greatest share of rural population in the total structural poverty (please refer to Figure 1.5 in the Feasibility Study).

Regarding indigenous communities, the NOA region presents 3.5% of its population that identifies as descendants or pertaining to an indigenous people (CNPHyV 2010), being the national average 2.4%. The peoples with greatest representation in the region are the Kolla people, with 26.1% of NOA's indigenous total population; the Diaguita-Calchaquí people, with 19.1%; the Wichí people, with 11.5% - mainly in the province of Salta-, and the Guaraní people, representing 10%, mainly in Salta and Jujuy.

In turn, in 2010, a 2.49% of NEA's total population identified themselves as descendants or pertaining to an indigenous population. NEA is one of the regions with the greatest rate of indigenous population in rural areas (46.5%), reaching values of more than 50% in Misiones and Formosa. In the province of Chaco, there is the greatest percentage of the region's indigenous population (45.1%). This is quite interesting, considering that only 28.6% of the region's total population lives in that province. The province of Formosa is the one with the greatest rate of indigenous in relation with its total population (6.1%).

Even though we have no official or final data, it is possible to estimate that, in the same way these regions have, according to the Census, 82% of the country's rural indigenous population, they also have it regarding number of indigenous communities, with Salta, Jujuy, Formosa and Chaco (in that order), being the most important.

**Selected Micro Regions in the Great North of Argentina:** The following map shows the location of the micro-region in their Provinces in the Great North of Argentina:

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<sup>5</sup> **Type A family producers:** These are small-scale family producers who do not have enough resources to live solely on the produce of their units. That is why they must resort to work outside their units. They sustain strong structural poverty conditions.

**Type B family producers:** These are small-scale family producers who have patently little resources (land, capital, equipment), which makes it difficult for them to broaden their production system and grow. Simple reproduction is the form activity is maintained. They have a highly sporadic relation with the produce market.

**Type C family producers:** They are mostly producers in relation to markets and with some level of minimum capitalization and fairly consolidated associative forms. All these categories present NBI indicators that classify them as poor.

## MICRO-REGIONS OF THE PROGRAMME



**Yavi Micro-region (Jujuy Province):** The micro-region of Yavi is located in the department of the same name, in the north Argentine Puna, in the extreme northeast of Jujuy. The Department of Yavi is composed of La Quiaca Municipality and five municipal commissions. It is a mainly rural department (23% of its total population lives in rural areas); the urban area is comprised of the city of La Quiaca. The region is located in the Puna Jujeña, a relatively flat area elevated more than 3,200 meters above sea level and crossed in the Northeast and Southeast, by mountainous ranges which have river basins and valleys relatively wide. The Puna plateau has difficult weather conditions, cold, dry and very windy. The rains are deficient in every season; it almost exclusively rains in summer. The daily changes in temperature are substantial, and there is a sharp cooling at night, due to very dry conditions in the air, and there is diurnal warming up that reaches up to 25° Celsius degrees. In this micro region the frequency and length of heat waves is increasing, extreme precipitations are also increasing in frequency, the winter dry period is intensifying and there is a pronounciation in the soil erosion due to wind and water erosion. Climate change is gravely affecting the micro region's agriculture and livestock production. The MR presents 4% of total province rural households with unsatisfied basic needs (INDEC 2010 Census), while 21% of the population in the MR has at least one unsatisfied basic need (the provincial average is 15%). Analphabetic rate is 6.57% (province's rate is 3.3% and national rate is 1.9%). The main productive activities in the MR are livestock and agriculture. The whole of the family works on the land being the main destination of production the self-consumption. Only the remaining production is sold or exchanged. As regards areas covered by trees, there are no forest lands, as trees are significantly scarce in the communities.

**West of Formosa Micro-region (Formosa Province):** The West Micro-region occupies the departments of Matacos and Ramón Lista, bordering the province of Salta and the western part of the Department of Bermejo.

This Micro-region is the furthest from the provincial capital where the producers are more disseminated. Their production is basically for subsistence. The Micro-region presents rainfalls ranging from 400 to 500 mm per year, with a high percentage of occurrence in the autumn season. The MR presents gallery forests along the banks of active and inactive rivers. The West Micro-region is characterized by a high level of population with Unsatisfied Basic Needs (35% of the total provincial rural households) and a high concentration of native communities. The population of the Micro-region represents 8% of the total provincial population (INDEC 2010 Census). The main productive activity in the MR is livestock, and beekeeping is especially important as well being carried out mainly by indigenous communities and "criollos". Agricultural production is only for local family sustenance. Forestry activity is also of an extraction nature, and with no level of technology.

**Oriental Chaco Micro-region (Chaco Province):** Oriental Chaco Micro-region is located to the South East of the province, in the Department of Bermejo. The climate in the region is subtropical maritime with dry seasons, with an average annual temperature of 27°C and a maximum higher than 40°C. The rainfall exceeds 1000 mm per year. The most important rivers of the area are: Bermejo, Paraná, Paraguay, used for navigation and Canguí Grande and Chico, Guaycurú, Río de Oro and Arroyo, which constitute a substantial natural surface water reservoir. During December and March the water of the Paraná river floods the low banks and moves upwards the tributaries, hindering normal drainage and causing floods. East of Chaco the eastern depression is found, with predominance of rivers, streams, estuaries, lagoons, and berms in between, and to the South, estuaries, small valleys, lagoons and low lying fields are found. Due to the abundance of rains and drainage problems, gleization occurs in that the soil material is gray, and most importantly, causes a toxic environment for the roots of plants due to lack of oxygen. The Wetlands region is covered by alternating forests with steppes, savannas and palm trees. The prevailing tree species in the MR are Quebracho Colorado, Urunday, Guayacán, Lapacho and Espina Corona. Small tree plantations are observed used as windbreaks to protect orchards and fruit trees. This is the result of forestry programs in place over the last years. The soil presents limitations related to water excesses, restricted drainage, acidity and salinity.

Oriental Chaco Micro-region is characterized by a high level of population with Unsatisfied Basic Needs (4% of total provincial rural households) and native communities, mainly the Qom people. The Department of Bermejo represents 2.4% of the total population of the province and rural population represents 45% of the total population of the department (INDEC 2010 Census). The main productive activities are livestock, agriculture, horticulture and forestry to some degree. In the area there are different family-type production activities, with low technology incorporation.

**Los Llanos Micro-region (La Rioja Province):** This Micro-region is located in the south of La Rioja Province and it is composed by the following departments: General Belgrano, General Ocampo, General Juan F. Quiroga, Rosario Vera Peñalosa and General San Martín. The MR is delimited to the North and North East by the mountains of Ambato and Velazco, foothills of the Vilgo and Paganzo ranges and the southern ends of the Vinchina and Antinaco valleys, Los Colorados. Besides, it is delimited to the West with the province of San Juan, to the South with the province of San Luis and to the East with the Province of Córdoba, respectively. It is an extensive depression with sedimentary deposits that forms an arid plain with dunes in the North West and the limit with San Juan, bogs in the drainage of the Salado river and the drainage of Los Colorados. There are salt plains in the North East and it is crossed from North to South by the Serrano-Pampean mountain range. The climate is subtropical and warm, without frost or with mild frost, with mild winters and high summer temperatures. Rain ranges between 400 mm annually in the East to 300 mm in the West.

The population of the Micro-region represents 11% of the province. Regarding the Unsatisfied Basic Needs (NBI) indicator, the province presents 45% of total provincial rural households with NBI (INDEC 2010 Census). The livestock activity of the province includes the extensive rearing of bovines and goats. Livestock represents 16.5% of the provincial agricultural Gross Regional Product and involves 12.300 people. The presence of small-scale producers devoted to livestock farming is noticeable. The vast majority of such small scale producers has no

perfected titles over the land or no clear land bounds. That is why it is so difficult for them to apply improvements in the handling and feeding of their cattle. Their low level of capital is another setback for the sector's development.

**Valles Calchaquies Salteños Micro-region (Salta Province):** Geographically, the “Valle Calchaquí” region is inside the great region of Argentine Northwest (NOA) and it is recognized for being a chaining of valleys and water reserves among the high mountain ranges (1000 to 3000 meters high) of North-South overall orientation crossed by rivers Calchaquí and Santa María, in the provinces of Salta, Tucumán and Catamarca. In the Province of Salta, the Valles Calchaquies micro-region of the Province of Salta is composed of the following departments: Cafayate, San Carlos, Molinos, Cachi and La Poma.

The MR features an arid climate, with concentrated rainfall monsoon-like (in summer), high thermal amplitude, strong sunshine, low atmospheric humidity and thus, evapotranspiration. The soils are not very much developed and feature very low organic matter. They have a good internal drainage, and they are usually very stony. Furthermore, there are soils with substantial salt and sodium concentration. These soils are very fragile and susceptible to both wind and water erosion. Accordingly, erosion, desertification and pressure over forests are the main environmental issues of the region. Natural vegetation is xerophyte type, low and with bushes, woody and scarce foliage, with minor species usually with aromatic and medicinal properties. In areas with higher water availability there are lowland forests with greatest bio-diversity dominated by carob, although is currently diminished and impoverished by the indiscriminate logging suffered in the area in order to get firewood and soil for agricultural activities, as well as for grazing.

The MR population represents 3% of total province's population and it presents 49% of rural population within the MR (INDEC 2010 Census). Family Agriculture (FA) is a fundamental component in agri-food industry of Salta. In the province of Salta, the 78% of farms are run by families and it is estimated that they generate 16% gross value of the total farm production in Salta. Regarding Unsatisfied Basic Needs (NBI), the MR presents 19.4% of total households in the MR with NBI, and an 8% of total provincial rural households with NBI. The main productive activity in the MR is crop production. The agricultural structure is mostly small-holder type. The agricultural production is a significant resource in the life strategy of the family, which provides with the prevailing portion of the labor force used in the farming; and the food production is intended for self-consumption and market. The great aridity in the area makes water resource the biggest limitation for agricultural production. The surface water is very scarce and stationary. There is a severe lack of water harvesting, pipes and distribution infrastructure, with low technology in the application of the water resource. The production plots have little or no level of incorporation of modern technology. Chemical fertilizers and plant protection products are rarely used. Farming is extensive type, based on scarce vegetation grazing typical of mountains, sometimes along with pastures (alfalfa). The cattle farming are carried out away from households, among the hills most of the year; and they constitute the greatest capital reserve for farming families.

**Climate Change in NOA and NEA Regions in Argentina:** According to the information provided in the Third National Communication on Climate Change, the NOA and NEA regions are the regions in Argentina with greatest climate change related impact.

The study identifies the following changes in climate tendencies regarding the changes in climatic variables from 1960 to 2010:

- Increase in mean annual precipitation in all of Argentina, being the NEA region the region with most increase in annual precipitation, registering an increase of up to 200mm in some areas.
- In NOA and NEA events of extreme precipitation are on the rise. Occurrence of heavier precipitation in fewer events.

- Especially in NOA, increase in the length of dry spells and little or no rain during winter, thus intensifying the aridness of the region.
- Increase in frequency and duration of floods in the NEA region.
- Significant increase in the number and duration of heat waves.

Climate projections indicate that annual mean temperature will rise more substantially and faster than observed between 1960 and 2010.

For the NEA region, an increase of 1 to 2°C is expected in relation with the 1986-2005 period in the scenario of fewer emissions (RCP 4.5) and a temperature increase of 3 to 6°C is expected by the end of the century considering the worst emission scenario (RCP 8.5)

For the NOA region, an increase of 1 to 1.5°C is expected in relation with the 1986-2005 period in the scenario of fewer emissions (RCP 4.5) and a temperature increase of 3.5 to 7°C is expected by the end of the century considering the worst emission scenario (RCP 8.5). Based on the above, this region will have the country's greatest heating.

In relation with temperature extremes in both regions for the scenario of fewer emissions: i) frost would practically disappear; ii) tropical nights would increase; iii) there will be an increase in the number of days with heat waves of 10 to 25 days for the NEA-E, and 15 to 90 days for the NOA-N (this being the region with greatest projected increase in the duration of heat waves for the country).

According to the climate projections, in the near future the occurrence of extreme precipitation will be intensified in the NOA and NEA region. An increase in the accumulated annual precipitation due to heavy precipitation events in both regions, increasing between 25 mm to 150 mm in the NOA and between 25 to 100 mm in the NEA region.

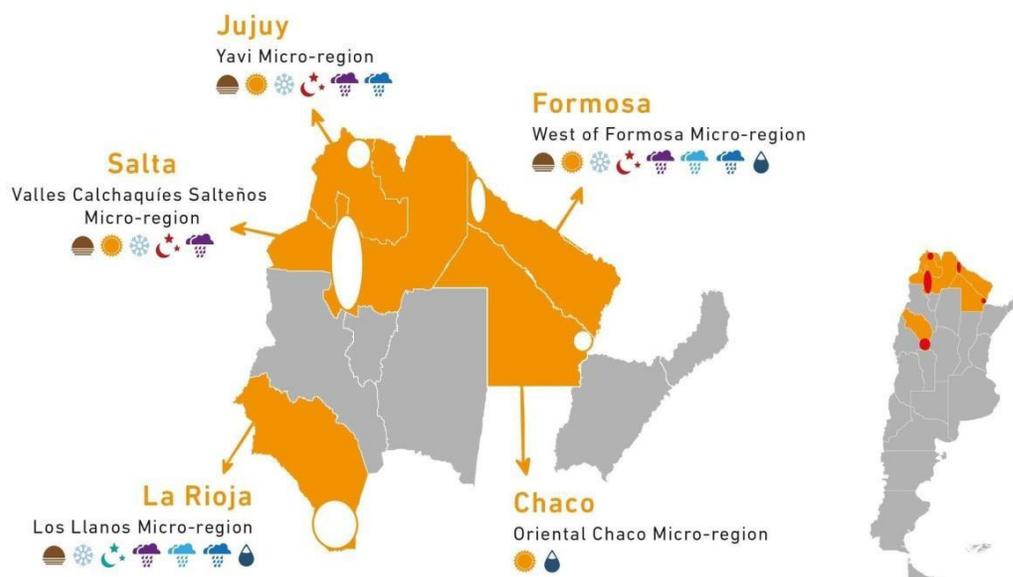
These new projected climate conditions for the North region of Argentina will bring about impacts on the environment and the livelihoods of vulnerable communities. One of the main environmental impacts is increase of arid conditions and related desertification processes which will affect productivity and extinction of species. Besides, changes in the hydrological cycle will also affect agricultural, hydroelectrical and potable water production, as well as access and use of food. Impacts will also be seen through the increase of forest fires and mass weathering phenomena.

This situation plus the social vulnerability in the region which has been discussed previously as well as existing environmental fragility and institutional weaknesses, aggravate the capacity of the communities to respond and adapt to climate change impacts.

The following map shows the extreme climate events and related impacts affecting the micro-regions prioritized through the present Programme. The map was developed with the information obtained from the maps of the Third National Communication to Climate Change of Argentina, the map of the LADA Project and the map of the Ministry of Education presented in the previous section.

Please refer to Feasibility study for further information about the Strategic Context of this Proposal.

## MAP OF PROGRAMME MICRO-REGIONS WITH THEIR EXTREME CLIMATE EVENTS AND RELATED IMPACTS



### Extreme Climate Events and Related Impacts

	Reduction in the number of days with frost		Increase in the maximum daily precipitation of the year
	Increase in the number of tropical nights		Increase in the total annual precipitation due to torrential rain
	Reduction in the number of tropical nights		Increase in the maximum annual precipitation of 5 consecutive days
	Increase in the maximum length of dry spell		Occurrence of floods
	Presence of degradation process in drylands		

The information provided gives account of the importance of the present Programme to promote community-based adaptation and low-carbon development in micro-regions which are vulnerable to climate change impacts.

For further detailed information on climate change in Argentina and the Provinces and micro-regions prioritized by the Programme, as well as for the climate change risk assessment and vulnerability please refer to chapter 1 point 1.4.1 in the Feasibility Study.

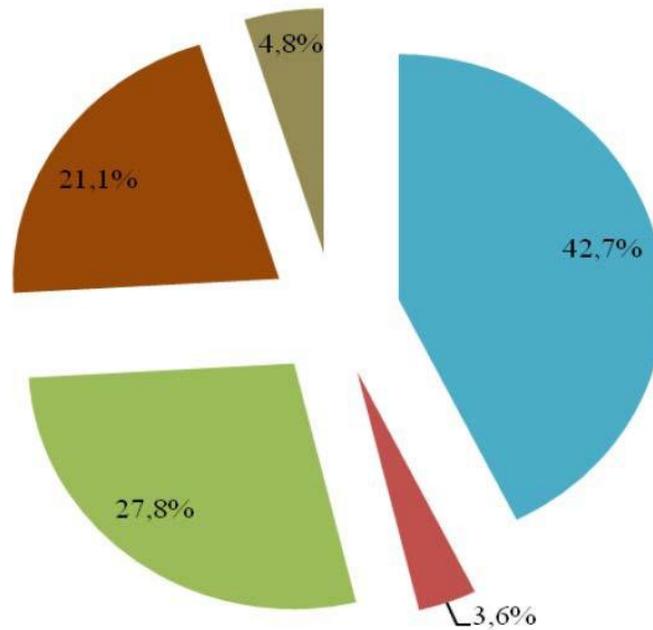
**National Inventory of Greenhouse Gases:** The national inventory of GHG for the 2012 published in the Third National Communication of Climate Change, addresses for the main contribution that the agriculture and livestock and change of land use and forestry sectors have in the total national emissions. Thus, the important role that both sectors play in mitigation strategies in order to contribute to Argentina's goals established in its Nationally Determined Contribution (NDC).

It is important to highlight that the Energy, Agriculture and Livestock and Change of Land Use and Forestry sectors constitute more than 91% of total GHG emissions in the considered period.

And, in particular, CO<sub>2</sub> emissions from the conversion of forests and other lands are the main category with 13% of total emissions.

The figure below shows Argentina's National Inventory of Greenhouse Gases for the year 2012.

For further information please refer to Chapter 1, Section 1.4.2 in the Feasibility Study.



Argentina's Greenhouse Gases Inventory (year 2012) – Third National Communication of Argentina (2015).  
Source: Secretary of Environment and Sustainable Development of Argentina.

For more information on Argentina's and Great North's socio-economic context, please refer to Chapter 1 in the Feasibility Study.

## C.2. Project / Programme Objective against Baseline

Chapter 2 of the Feasibility Study offers a detailed description of the baseline scenario: it provides the rationale for the intervention in the North of Argentina, and of the Micro regions, based in exposure, vulnerability and mitigation potential.

### Climate vulnerability baseline

#### i) The Great North of Argentina

The Great North of Argentina was selected for the implementation of the EDA Proposal on account of: i) high exposure to extreme climatic events, ii) high vulnerability to climate change, iii) mitigation potential.

The income of the majority of the population established in the Great North of Argentina is directly linked to natural resource utilization. The increase in the intensity and frequency of extreme climatic events in this region is having a severe impact on the livelihoods of rural communities.

High rainfall variability, persistent droughts and floods, and extreme temperatures characterize the Great North of Argentina. The increase in the duration of drought periods and intense precipitations is aggravating soil degradation processes in the region due to the increase in wind and hydric erosive processes.

## **ii) The selected Micro regions**

The micro regions of the North of Argentina from the UCAR's IDEMI and PISEAR Programmes that have the most significant impact to climate change were identified and prioritized by considering the following information (please refer to Chapter 1 for further details):

- Observed change in climate extreme events: please refer to the maps presented in Chapter 1 of the present feasibility. These maps present the most significant differences in the extreme climate indexes observed during the 1960-2010 period. The micro-regions that presented the most significant changes in extreme climate indexes were prioritized.
- Existence of degradation processes in drylands: The semiarid regions of the North of Argentina that have degraded lands are significantly vulnerable to climate change impact. This is why micro-regions that present significant land degradation processes were prioritized.
- Occurrence of floods: The Valles Calchaquíes Salteños, West Formosa and Oriental Chaco Micro-regions are particularly vulnerable to floods and other hydrometeorological events.
- Occurrence of forest fires: The reference in Chapter 1 to the risk of disasters in the planning of the territory illustrates the quantity of extreme events per department and includes the risk of fires in the provinces with significant fire exposure.

## **Emissions baseline**

Although there is no information on GHG emissions at the level of the selected micro regions, GHG emissions profiles at the provincial level are available for approaching the potential trends in the micro regions, and/or how mitigation in the micro regions could contribute to the reduction in the provinces.

The main emissions related to rural areas are related to Land use, Land Use Change and Forestry; followed by Livestock and in a lesser extent, Agriculture. The province with higher emissions is Chaco, with a considerably significant part of emissions related to LULUCF; similar proportions although lower in net emissions can be observed in the Salta profile. La Rioja is the province with fewer emissions related with the rural sector. Please refer to section 2.1.3 of Chapter 2 of the Feasibility Study for further characterization of baseline emissions.

## **Outcomes and the impact that the Programme will aim to achieve in improving the baseline scenario**

The objective of the proposed Programme is to promote the low-carbon and resilient development of the North Region of Argentina by promoting the incorporation of adaptation and mitigation measures in territorial planning.

In this sense, the Programme will finance comprehensive adaptation and mitigation projects that integrate a robust Mitigation and Adaptation Plan for the micro-regions. The aim is to empower rural communities in micro regions by making them the key actors in the development of climate strategies and in the selection and definition of projects to guarantee sustainable and resilient natural resource management.

The adaptation and mitigation measures that will be financed are aligned with the national priorities of Argentina that were described previously and with the Results Management Framework of GCF.

- With regards to **adaptation**, the Programme will have an impact in increasing resilience of the micro regions by promoting investments related to Landscape/Resource Efficiency (e.g. flood risk management, reduction of landscape fragmentation, native tree planting, enhancement of degraded soils), Water (e.g. infrastructure improvements, reduce water loss, storage of rainwater), Forest Management and Agroforestry (e.g. forest management, production diversification, wildfire prevention).
- Regarding **mitigation**, it can be affirmed that the micro-regions of the Programme have the potential to include mitigation measures that promote the reduction of deforestation and the improvements of land degradation, such as for example: measures to recover degraded lands, in particular pastures, to reduce the pressure on native vegetation areas, thereby helping to control deforestation. It also includes the promotion of planted forests, recovery of degraded lands and establishment and improvement of plans for sustainable forest management, as well as integrated productive systems (crop, livestock, forest). With regards to Energy, the area that includes the five selected micro regions has high levels of irradiation and excellent potential for employing solar energy generation technology. There is potential for transforming the solar resource into a catalyst of social and economic development for the region by stimulating the use of solar energy in productive activities.
- Concerning **key barriers**, the Programme will overcome:
  - Barriers related to lack of knowledge about mitigation and adaptation technologies, organizational capacities, and project formulation skills, by providing intensive training on these matters under Component 1 activities.
  - Barriers related to access to finance, as described in Section B.1, by providing non-reimbursable grants and establishing revolving funds under Component 2 activities.

Barriers related to women accessing funds, by implementing dedicated budget, activities and minimum access (quotas). Please refer to ANNEX III Gender Evaluation and Action Plan.

The expected total number of subprojects is 68, if the establishment of 1 self-managed revolving fund is counted as 1 subproject. This proposal considers, at least: 8 grants awarded for systemic projects of public investment (4,000 families), 50 subprojects for organizations of smallholders (1,750 families), and 10 self-managed revolving funds established (415 families during the lifetime of the project). In total, sub-output 2.1 and 2.2 will account respectively for 8 and 60 sub-projects, reaching 4,000 and 1,750 families (since the families accessing to the revolving funds will be the same families that will access to the subprojects of non-reimbursable grants).

### C.3. Project / Programme Description

#### Description of Components

##### Component 1: Capacity building and community-based planning

This component will finance the execution of activities for the strengthening of the local actors' capacity to formulate and implement ambitious adaptation and mitigation plans against climate change, in order to enhance the impact of low-carbon, climate-resilient development actions in focused rural groups.

The Component has the following outputs:

##### **Output 1.1 Local capacity on climate change generated and awareness raised**

In order to raise awareness on climate change action needs and opportunities at least 130 public staff and governmental officials from national, provincial and local governments, and at least 250 small-scale producers will be trained on adaptation to climate change, including use of climate information, and appropriate mitigation technologies and gender perspectives

##### **Output 1.2 Micro-regions with enhanced capacity to lead community-based adaptation and**

### **mitigation actions**

The development of a participatory process to establish a climate strategy for the micro-region based on the local adaptation needs and mitigation potential will result in the elaboration of 5 Mitigation and Adaptation Plans (MAPs).

### **Component 2: Adaptation and mitigation actions**

This component comprises a grant facility for adaptation and mitigation investments that have been defined through a community-based planning in vulnerable micro-regions, intended to improve the living conditions of the vulnerable rural communities whilst creating synergies with greenhouse gases emission reduction measures. The grant facility will be fully aligned with GCF investment criteria and national climate priorities.

The grant facility will target public institutions and smallholders through two grant investment windows.

#### **Output 2.1: Systemic projects of public investment implemented**

At least 8 grants for public investments in public services or works of collective benefit that will help reduce the vulnerability of the micro-region in the face of extreme events, and that will contribute to reduce greenhouse gas emissions. At least 4.000 families (20.000 beneficiaries) living in rural areas will benefit from systemic projects of public Works or services regarding the following results areas: energy access and power generation, forestry and land use, health and well being food and water security, resilient infrastructure, ecosystems and ecosystem services.

#### **Output 2.2: Adaptation and mitigation projects for organizations and associations of smallholders implemented**

At least 50 grants for integral projects and at least 10 self-managed revolving funds for producers' organizations/associations and cooperatives addressing adaptation and mitigation measures associated to the following results areas: energy access and power generation, forestry and land use, health and well being food and water security, and resilient infrastructure. At least 1.750 families (8.750 beneficiaries) of small-scale family producers and rural workers will benefit from this grant investment window.

### **Component 3: EDA Programme management and M&E**

This component contains the activities related to the execution and implementation of the Programme. The objectives and functions regarding such spheres of action have been described in Section C.7 Implementation Arrangements. The specific outcomes of this component are described next.

#### **Output 3.1: Programme management**

The execution activities are intended to ensure that the objectives and targets of the Programme are fulfilled at each stage. To such end, a day-to-day planning and articulation work with the different actors is required, as well as a diligent and transparent fund administration tasks. The latter will be guaranteed by UCAR's administrative support areas: Human Resource Management Area for the hiring of consultants; Procurement Area for the procurement of goods and services; Accounting areas, Budget area, Payment area, Agreement and Disbursement area, these are a few of the areas which will ensure the transparency of the circuits and the appropriate accounting to the financing entity on a daily basis.

#### **Output 3.2: Monitoring and Evaluation**

Programme monitoring and evaluation activities will be carried out under this outcome. This will be done under the responsibility of the Programme's Coordination and UCAR's Management Control Area.

Beyond the self-managed revolving funds, which will continue working even after the Programme's lifetime, the objective is to ensure that the subprojects are completed at the end of the implementation

period. In case there are ongoing subprojects whose total amount have been disbursed before the end of the implementation period, UCAR undertakes to guarantee their completion in the terms established by this financing proposal.

Regarding the self-managed revolving funds, they will be monitored during the implementation of the Programme and monitoring could continue after the Programme's lifetime in the case UCAR considers it necessary. UCAR's Rural Finance area counts with specialists to carry out these activities if necessary.

## **Description of activities**

### **Component 1: Capacity building and community-based planning**

#### **Output 1.1 Local capacity on climate change generated and awareness raised**

##### *Activity 1.1.1 Training workshops on climate change adaptation, mitigation, gender perspective and organizational strengthening*

The objective of this activity is to raise awareness on mitigation opportunities and adaptation needs at a national, sub-national and local level. In this sense, the activity aims to target a diverse variety of stakeholders, including technicians of national institutes that support local communities, local governmental authorities that are involved in municipal planning and small-scale producers that are vulnerable to climate change impacts.

This activity is fundamental to build and strengthen the institutional and local capacities as well as to generate a common understanding on climate change in the micro-regions on which to build effective and sustainable community-based climate planning.

This activity includes training and workshops by specialized technicians with the objective of building the capacity of multiple stakeholders of the micro-regions on climate change related issues, as well as gender aspects applied to climate change planning and action, and empowering organizations/associations of producers.

The activities to be carried out include:

- Workshops on adaptation to climate change, including use of climate information, and appropriate mitigation technologies (10 workshops). These include 2 trainings per micro-region: one to target technical staff and local authorities, and one for organizations/associations of smallholders.
- Trainings on gender perspective (6 trainings) before the participatory process begins, that include 1 training per micro region for 30 stakeholders and 1 training for the technical staff that conform the Technical Implementation Unit).
- Trainings on gender perspective (5 trainings, one per micro-region) for technical staff and stakeholders (20 people) during the participative processes of climate planning and MAP development.
- Workshops (3 in total, 1 per year from year 3 to 5 of Programme implementation) targeting all the technical staff that is involved in the micro-regions to analyze and discuss the participation of women in the ongoing processes and evaluate activities to improve gender equity throughout the Programme implementation.
- Trainings on organizational strengthening (5 in total, 1 per micro region) for technical staff and stakeholders, during the participative processes of climate planning and MAP development. These trainings will include land tenure approach.

##### *Activity 1.1.2 Learning exchanges on adaptation and mitigation experiences*

The objective of this activity is to disseminate successful mitigation and adaptation initiatives, in order to generate capacities, share lessons learned and promote the replication of climate action that is taking place in other areas of the country with a proven positive impact. For example, representatives of the micro-regions could be invited to visit the Adaptation Fund Project taking place in the North Eastern provinces of Argentina to learn about self-constructed rainwater reservoirs.

This activity is extremely relevant since it has been proved that visiting successful case studies allow for very

fruitful exchange between the participants, giving place to valuable discussions and raising awareness and enthusiasm on innovative projects. The peer-to-peer exchange on diverse adaptation and mitigation measures will allow local stakeholders of the micro-regions to learn about alternatives that they could incorporate to their local activities to increase their resilience and promote low-carbon development.

This activity includes two learning exchange experiences one for each target of beneficiary of the grant facility, that is to say: one experience exchange for smallholders, and one for local authorities. For each experience exchange three representatives of each micro-region will be invited.

#### *Activity 1.1.3 Develop and disseminate training and dissemination materials on climate change and grant facility*

This activity entails the elaboration and dissemination of materials to raise climate change awareness, describe the impact of climate change and present descriptions of adaptation and mitigation alternatives. This activity will also include the development of supporting materials for call for proposals of projects for the grant facility, and the dissemination of the materials through different channels. These materials will include for example information regarding grant facility windows, grant application process, roles and responsibilities in grant project development, among others.

The activity includes at least 3 minor publications (flyers, radio, TV spots, others) for building capacity and supporting calls for proposals, and 3 high quality videos for the dissemination of implemented project activities will be developed.

### **Output 1.2 Micro-regions with enhanced capacity to lead community-based adaptation and mitigation actions**

#### *Activity 1.2.1 Micro-regional meetings for establishing institutional agreements on the participative processes and sharing information on grant facility*

In each micro-region, an ad-hoc association will be constituted as the institutional framework of the micro-region. This ad-hoc association will house multiple-stakeholders representing all the members representing the public sector, the scientific-technological and private sectors that are related to the micro-region. Such institution will be responsible for developing the processes of local climate change impact and mitigation potential diagnosis, the decision-making regarding the climate planning, and for overseeing the implementation of the MAP.

The establishment of the micro-regional ad-hoc association is of key importance to strengthen and empower the local actors, and establish the building blocks that will guarantee the sustainability of the climate actions to be implemented throughout the Programme.

This activity also includes the development of the necessary institutional arrangements and political agreements with the relevant stakeholders of the micro-region.

It also includes meetings to disseminate information regarding the grant facility, the types of adaptation and mitigation projects that can be financed, the mechanisms and requirements of the project proposals, the criteria for proposal evaluation, the call for proposals, among others. All stakeholders of the micro-region will be targeted.

This activity includes 10 meetings (2 per micro-region) for the arrangements of the required institutional agreements between stakeholders.

#### *Activity 1.2.2 Participative workshops and technical support to micro-regions on access to grants*

This activity entails the development of workshops and meetings that target potential beneficiaries of the grant facility (public institutions and small-scale farmers) as well as technicians from local institutions that provide support to rural communities.

The objective of this activity is to carry out the participatory process of elaboration of the MAPs and provide support to the stakeholders of the micro-region to develop the local adaptation and mitigation assessment and

climate planning.

This activity includes technical support to institutions, communities and organizations of small-scale producers, indigenous communities, and rural workers, intended to improve their understanding on the potential adaptation measures that may reduce their vulnerability as well as identifying mitigation activities that could contribute to their low-carbon development.

An interdisciplinary team of professionals will be hired to provide support to the stakeholders of the micro-region in preparing the MAPs. The conformation of the technical team is detailed in section C.7 of Implementation Arrangements.

Each micro region will count with the participation of multi-stakeholders during the development of their Mitigation and Adaptation Plans. These multi-stakeholders will represent the public, scientific-technological and private sectors related to the micro-regions. These could be, among others: associations of producers, individual producers, smallholders, local authorities, technical institutions.

The local referents in each micro region together with the formulators and with support of the Technical Experts Team (TET) will lead the participatory process for the development of the MAPs (please refer to section C.7 Implementation Arrangements for more details on the conformation of the technical team). Besides, there will be environmental, social, gender, organizational skills and finance specialists that will also give support and strengthen local capacities for the MAPs and projects formulation.

The Mitigation and Adaptation Plan (MAP) is meant to include all documents comprising the results of the process conducted by the actors of the micro-region together with the Territorial Formulation Team. The MAP summarizes the jointly formulated diagnosis and strategy to increase resilience and low-carbon development in the territory.

The MAP must be formulated locally with a bottom-up approach with the active participation of the actors from the micro-region, who will prepare a document containing:

1. An assessment of the climate change vulnerability and mitigation potential of the micro-region, which allows to identify opportunities and structural limitations for the sustainable and resilient development of the territory. The conclusions from such analysis will be the springboard to outline a strategy that articulates several lines of action, which will be translated then into projects.
2. The resulting community-based mitigation and adaptation strategy of the micro-region, including the Vision, Mission, Strategic Objectives and Lines of Action to attain the desired scenario.
3. The distribution of the assigned funds to each micro-region (4 million per micro-region) amongst the two grant facility windows described in Component 2. The MAP must justify how the micro-region prefers to distribute the funds according to local context.
4. The prioritized public investment for the micro-region (concept note level). The project to be financed by output 2.1 needs to be defined in an early stage in order to be technically evaluated, fully developed and executed. Projects to be financed by grant facility window 2.2 will be presented according to the call for proposals during the following 4 years after MAP design and do not need to be included in the MAP.

This activity entitles the development of 20 forums (4 per micro region) during the first year and 45 inter-forum meetings (9 per micro region) during the first year. It also includes 2 workshops per micro region to bring technical support specifically for women on adaptation and mitigation technologies and to strengthen their capacities to access the grant facility (these activities are fully described in the Gender Action Plan found in Annex III).

The inter-forum meetings will be the participatory space for the representatives of the different actors from the micro-region for the development of the different contents of the MAP previously presented.

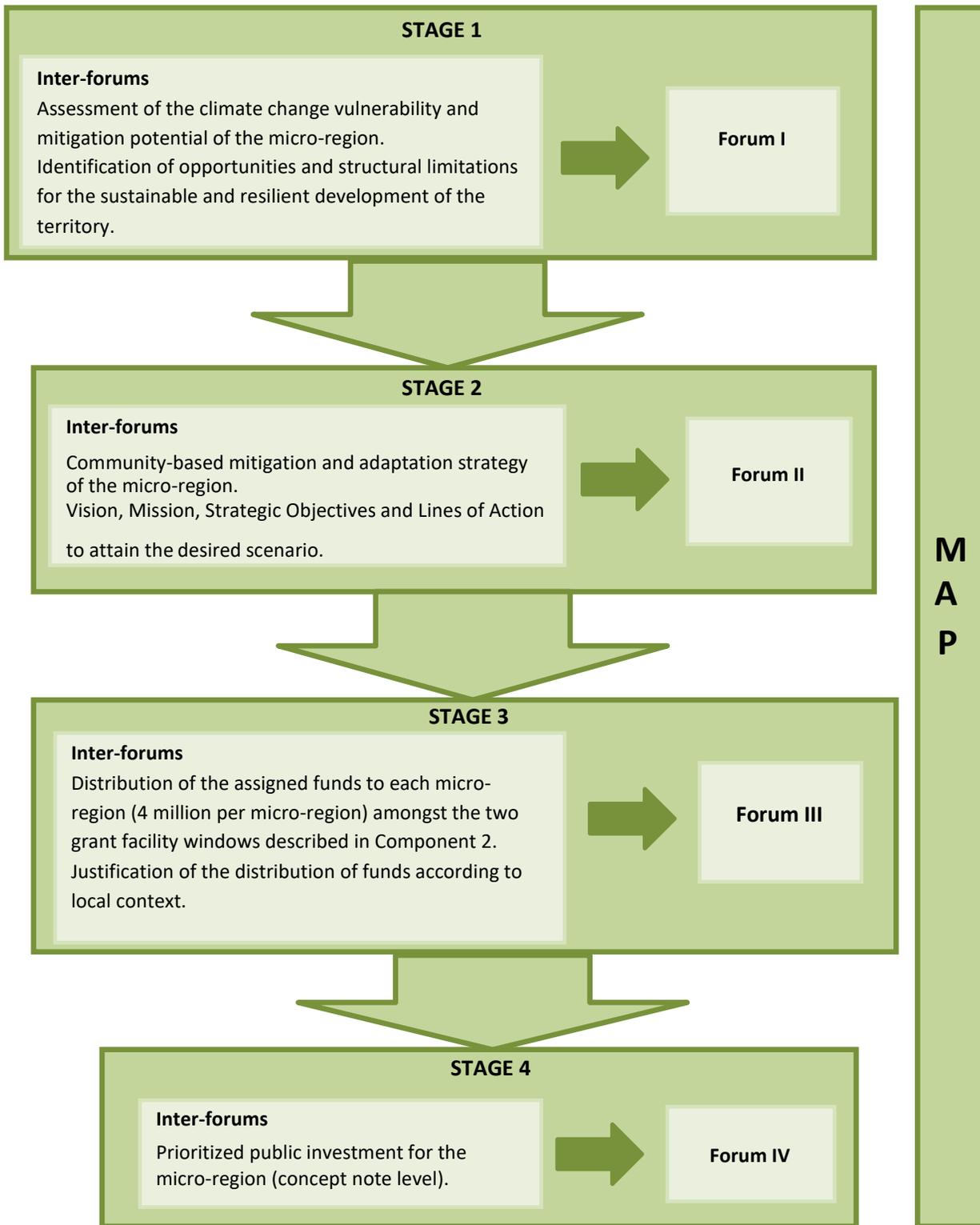
The forums will be the space to communicate and share the results of the inter-forums with all the actors of the micro-region. This space will allow the legitimation of the strategic decisions in each instance of the development of the MAP.

The documents formulated as a result of these participative meetings will constitute the Mitigation and Adaptation

Plan. The figure below outlines the methodology for the development of the MAPs.

Regarding the private sector, during the training workshops (described within Activity 1.1.1) on technologies for adaptation and mitigation to climate change, the participation of technology providers will be promoted in order to expand knowledge and tools within the micro regions so as to enrich the investment proposals that will be prioritized in the MAPs.

The evaluation committee must approve the MAP and the included public investment project concept note, thus ensuring: i) that the MAP appropriately addresses the micro-region's adaptation needs and mitigation potential; and ii) the pertinence of the defined fund allocation to each one of the financing windows.



**Methodology for the development of Mitigation and Adaptation Plans**

### *Activity 1.2.3 Technical support for proposal development and submission*

This activity entitles the technical support to strengthen the micro-regions capacity to develop and submit proposals to the grant facility. The activity targets proposal formulators who can be national institutions such as (INTA, INTI, SAF, provincial ministries, local authorities), NGOs that support rural communities and organizations/associations of producers.

This activity will provide the necessary technical support to develop grant proposals that are aligned with the strategic lines of action defined in each MAP and with the grant facility requirements.

This includes the development of studies to formulate projects, including detailed engineering design, pre-feasibility studies, environmental and gender studies, and definition of risk mitigation measures. The proposals must be approved by the Evaluation Committee in order to ensure the alignment of the projects with the GCF investment criteria and the strategy defined in the MAP.

This activity includes defining monitoring mechanisms, systems and indicators: to control, evaluate and follow the initiatives in the MAP on adaptation, emission reduction, contribution to biodiversity preservation, soil quality and other pertinent factors.

In particular, this activity will finance:

- The development of 5 studies (1 per micro region) for the formulation of systemic public projects and 5 Environmental Impact Assessments, assuming that 1 public work per micro region will be performed within the type of projects that exceed UCAR's capacities (e.g. renewable energy).
- The development of 5 studies (1 per micro region) and 5 Environmental Impact Assessments, assuming that 1 public work per micro region will be performed in the categories of water management, irrigation, drainage, or infrastructure that can be assessed by UCAR's existing formulation teams
- The hiring of 5 thematic experts to support local technical staff to build their capacity on formulating adaptation and mitigation projects. Only for the first year when the MAP will be elaborated, 5 additional experts will be hired to attending all the capacity building processes that will take place in the 5 micro-regions.
- The hiring of 1 gender expert for proposal formulation and to provide support to women on the field. Only for the first year when the MAP will be elaborated, 1 additional gender expert will be required for supporting all of the capacity building processes that will take place in the 5 micro-regions.

## **Component 2: Adaptation and mitigation actions**

### **Output 2.1: Systemic projects of public investment implemented**

#### *Activity 2.1.1: Awarding and implementation of grants for systemic projects of public investment*

This activity is intended to contribute to the development and quality of infrastructure and services for the rural population through investments in public services or works of collective benefit. This grant facility window will finance projects related to rural renewable energy and energy efficiency, with public infrastructure that helps reduce vulnerability of the micro-region in the face of extreme events, and that will improve access to safe water.

Public investment projects, due to their nature, shall meet technical, economic, and socio-environmental requirements pursuant to the size of such initiatives. Projects included in the Negative List of the ESMF will not be eligible, please refer to Annex IV for more information.

The Programme will assure that projects include a climate change vulnerability analysis based in an assessment methodology that will be defined through the participatory process described previously in Component 1, and that the proposed investments are the most appropriate according to the diagnosis of vulnerability. This approach will be achieved through the training of territory technicians and beneficiaries in climate change (through the activities

planned in Component 1). In this way the Programme will ensure that GCF proceeds will cover incremental costs and co-financing of beneficiaries non-climate related costs.

**Systemic projects of public investment**

**Beneficiaries: ecosystems and communities of rural areas**

Scope

GCF Results areas of intervention:

- Energy access and power generation (in particular renewable energy)
- Buildings, cities and industries and appliances (in particular energy efficiency)
- Forestry and land use
- Most vulnerable people and communities
- Health and well being, and food and water security
- Infrastructure works and climate-resilient building (in particular climate resilient infrastructure)
- Ecosystem and ecosystem services (in particular land planning and ecosystem conservation)

Project examples: Generation of and access to renewable energy and energy efficiency in public buildings such as municipal buildings and public schools; works to prevent landslides due to heavy rains; infrastructure to prevent flooding, access to and storage of surface water and/or groundwater in public spaces such as parks or public schools; early warning systems and the respective contingency plans for the micro region or the municipality; community feeding systems for livestock in case extreme climatic events of drought or floods, reforestation and forest regeneration in fiscal lands for mitigation purposes and to reduce flooding, landslides and reduce erosion; recovery or restoration of vulnerable or degraded ecosystems; infrastructure to control of forest fires in the micro-region; construction of new bridges that contemplate the increase in water level of the rivers caused by torrential rains; improvements in rural road infrastructure to increase its resilience to extreme rain events; recovery of areas affected by natural disasters; among others.

For climate change analysis of investments please refer to Chapter 3, section 3.4 of the Feasibility Study.

Maximum sum per MAP: 2,000,000 USD\_

Financial instrument: *non-reimbursable contribution*

Co-finance by public institution: 20% of the total amount of the project.

A higher co-finance may be requested based on a case-by-case analysis, as appropriate, according to the sub-project in question.

Co-finance: monetary or in-kind

Eligible expenditure	<p>Infrastructure and equipment  Services for procurement and installation  Non-consulting services  Technical assistance services  Trainings</p> <p>UCAR will have sole authority for the procurement of goods and services for the Programme.</p>
Beneficiary eligibility criteria	<p>Grantee should be a public institution (of any level of government)  Projects shall comply with technical, economic and socio-environmental requirements commensurate with the dimensions of the investments.  Projects included in the Negative List of the ESMF will not be eligible.  Investments must be aligned with the territorial diagnosis.</p>

### Proposal development, evaluation, implementation and monitoring Process

The systemic projects of public investment will be identified during the participatory processes in Component 1.

1. A first draft of the idea/project will be prepared by the corresponding formulation team (UCAR or external) and submitted to the Technical Implementation Unit (TIU).

The draft shall include a description of the public institution that will be benefited by the public investment, as well as information on its capacity to operate and maintain the investment proposed.

2. The TIU, with the support of the Technical Experts team and the UCAR's Environmental and Social Management Unit and other UCAR's technical and financial areas, will assess the conditions of the proposal through a diagnosis, as well as the pertinence, and environmental, social and economic viability of the proposed project.

The evaluation will also assess on the public institution's capacity to operate and maintain the project proposed and on the climate rationale of the project in order to assure that GCF proceeds cover the incremental costs in order to achieve adaptation and mitigation results.

3. If the idea is approved, the formulation is continued, defining the detail designed and the Operation and Maintenance Plan.
4. Once the Project is formulated, it is submitted to the TIU that performs the Completeness Check, then it goes to the Technical areas in UCAR that have the technical and financial capacities for evaluating the project, including the Environmental and Social Management Unit.

The evaluation by the Technical areas in UCAR will assure that the GCF proceeds cover the incremental costs in order to achieve adaptation and mitigation results, while the co-financing component will cover non-climate related costs and baseline investment.

5. The opinion of the Independent Technical Experts Committee will be searched and recommendation will be provided to the Evaluation Committee.
6. If the proposal is accepted, a bidding process is opened by the UCAR's Procurement Area, following the standard procedures. UCAR will have the sole authority for the procurement of goods and services for the Programme.
7. Contracts will be signed with the grantees (please refer to ANNEX I for model contracts for the different types of grants) and will contain all the necessary information for the execution of the Project directly in the text of the agreement or as an annex to it. The contract will also contemplate each partie's obligations, including the grantees responsibilities and plan for operation and maintenance of the project. Please refer to section C.7

Implementation Arrangements for details on flow of funds.

8. Basic financial and physical indicators will be reported to the Programme in a period to be determined depending on the type of project and its conditions. This includes the monitoring of the local co-finance.
9. The Programme will conduct regular audits in order to monitor the functioning.

## **Output 2.2: Adaptation and mitigation projects for organizations and associations of smallholders implemented**

### *Activity 2.2.1: Awarding and implementation of grants for adaptation and mitigation projects for organizations and associations of smallholders*

This activity is intended to finance comprehensive and innovative climate adaptation and mitigation projects for organizations/associations and cooperatives of small-scale producers. Rural development programmes in the micro-regions will finance productive investments. These grants will finance climate related investments to increase the resilience of small-scale producers in the face of climate variability and extreme events that are intensified as a result of global warming. These grants will also finance mitigation measures associated to improvements in soil management, access to renewable energy, low-carbon agriculture and forest management.

Comprehensive projects are those addressing the climate issue with a systemic approach by aiming to solve more than one problem at the time instead of focusing on only one aspect. Such projects need to cover the social, environmental and economic dimensions, and introduce high-impact practices and technologies, and appreciation for ancestors' knowledge, seeking to enhance resilience of small-scale producers in the face of climate change whilst contributing to mitigation.

**Beneficiary profile:** Small-scale family agriculture producers<sup>6</sup> (A, B, C) who produce for their self-consumption with a surplus production for the market. They can be conformed in organizations, groups, associations and cooperatives.

**Type of support:** These producers are very vulnerable to extreme climate events and require a Non-Reimbursable Contribution "in advance" in order to improve their adaptation capacity to climate variability. In case of an extreme climate event the cost of assistance is high and the risk of recovery is also high; consequently, the support by means of a Non-Reimbursable Contribution that covers 90% of the investment is convenient. The co-finance is usually comprised by labour force of the producers themselves.

This type of producer, due to its small-scale production, usually group or associate with others in order to carry out several activities, such as productive, commercial, or social activities.

In this respect, "off-farm" investments (of collective use) are highly important to strengthen these associative processes, which will allow the continuity of this small-scale producer and increase its resilience to climate change.

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Type A family producers: These are small-scale family producers who do not have enough resources to live solely on the produce of their units. That is why they must resort to work outside their units. They sustain strong structural poverty conditions.

Type B family producers: These are small-scale family producers who have patently little resources (land, capital, equipment), which makes it difficult for them to broaden their production system and grow. Simple reproduction is the form activity is maintained. They have a highly sporadic relation with the produce market.

Type C family producers: They are mostly producers in relation to markets and with some level of minimum capitalization and fairly consolidated associative forms. All these categories present NBI indicators that classify them as poor.

Therefore, the projects can include two type of investments: investments off-farm (of collective use) and investments on-farm (individual investments). This means that, for example, an association of producers that produce fruit jam can incorporate solar panels to the shared building where they process the fruit and can also invest in on-farm rainwater reservoirs to overcome the increasingly long dry season.

**Adaptation and mitigation projects for organizations and associations of smallholders**

Beneficiaries: organizations, groups, associations and cooperatives of family agriculture producers

Scope

GCF Results areas of intervention:

- Energy access and power generation (in particular renewable energy)
- Forestry and land use
- Most vulnerable people and communities
- Health and well being, and food and water security (in particular low-carbon and climate-resilient agricultural production, sustainable and integrated management of natural resources, water management)
- Ecosystem and ecosystem services (in particular land planning and ecosystem conservation)

Project examples: conservation and management of ecosystems; ecological management of pests, weeds and diseases; regeneration of degraded soils through the use of organic fertilizers or green fertilizers; diversification of productive systems; local water management, systems to improve water quality; erosion control; treatment of wastewater; eco-tourism; preservation and sustainable management of forests, agro-forestry systems with native species; efficient irrigation, use of effluents for aquaculture, bioclimatic building, others.

For climate change analysis of investments please refer to Chapter 3, section 3.4 of the Feasibility Study.

Financial instruments: *Non-reimbursable contributions*

Maximum sum per MAP assigned: 2,000,000 USD

Maximum sum per project: 200,000 USD (may include a combination of collective and on-farm investments)

Maximum sum for collective investments per family: 10,000 USD

Maximum sum for on-farm investments per family: 5,000 USD

Co-finance by small-scale producers: 10% of the total amount of the project (maximum 20,000 USD per project)

Co-finance: in money or in-kind

Eligible expenditure

- Infrastructure and equipment
- Services for procurement and installation
- Non-consulting services
- Technical assistance services
- Trainings

<p>Eligibility criteria</p>	<p>Organizations, groups, associations and cooperatives of family agriculture producers, typology A, B and C<sup>7</sup>: at least 80% of the members must be clearly qualified within these categories.</p> <p>Annual net family income must be less than the equivalent of twice the Monthly salary corresponding to a rural pawn for the term of one year according to the CNTA (National Commission of Agricultural Work).*</p> <p>Investments must be aligned with the territorial diagnosis.</p> <p>Vulnerability of beneficiaries to climate change according to the assessment methodology to be defined in the participatory process.</p>
<p>* The rural pawn salary is currently 10.368 Argentinean pesos, which is equivalent to USD 589 per month –data of the Wage Scale of Agricultural Workers 2016-2017. The annual average income of the rural pawn is 7.657 USD. However, most of the beneficiaries are rural smallholder or subsistence farmers, who are not employed full time as rural pawns. They mostly make money from odd jobs, have some livestock or agriculture production and receive government contributions to subsist.</p> <p>According to the National Statistics Institute (INDEC), the basic food basket per household comprised by 2 adults and 2 children is estimated to be USD 842 per month (year 2017). The average monthly salary in the country for the private sector is USD 1.344 per month -data of the National Ministry of Labor (2017). Thus, the annual average income for the private sector is USD 17.472.</p> <p>It is observed that the annual average income of the rural pawn is under the 50% of the annual average income for the private sector.</p> <p>To determine the eligibility, the rural smallholder sums up the entire income received by the whole family in a month, including government pensions and contributions, and then it is multiplied by 13. This yearly income is compared to the parameter of twice the rural pawn salary also annualized, which is USD 15.314. In order to be eligible as grantee, the annual income household of the rural smallholder cannot exceed this amount.</p>	

### Proposal development, evaluation, implementation and monitoring Process

The formulation of the adaptation and mitigation projects for smallholders will not involve costs for the beneficiaries and will be done by the Technical Experts Team with support of technical staff from other institutions (Formulators, for more information please refer to section on Implementation Arrangements on the Funding Proposal) and together with the applicant smallholder association/organization.

<sup>7</sup> Type A family producers: These are small-scale family producers who do not have enough resources to live solely on the produce of their units. That is why they must resort to work outside their units. They sustain strong structural poverty conditions.

Type B family producers: These are small-scale family producers who have patently little resources (land, capital, equipment), which makes it difficult for them to broaden their production system and grow. Simple reproduction is the form activity is maintained. They have a highly sporadic relation with the produce market.

Type C family producers: They are mostly producers in relation to markets and with some level of minimum capitalization and fairly consolidated associative forms. All these categories present NBI indicators that classify them as poor.

The Programme will assure that projects include a climate change vulnerability analysis based in an assessment methodology that will be defined through the participatory process described previously in Component 1, and that the proposed investments are the most appropriate according to the diagnosis of vulnerability. This approach will be achieved through the training of territory technicians and beneficiaries in climate change (through the activities planned in Component 1). In this way the Programme will ensure that GCF proceeds will cover incremental costs and co-financing of beneficiaries non-climate related costs.

There will be a call for proposals, and the presented projects will be present through the Local Referents. The Technical Implementation Unit will carry out a completeness check to determine if the project meets the requirements indicated.

The Technical Implementation Unit will assess on the grantee's vulnerability to climate change and that the project proposed responds to a climate related necessity. Therefore, the evaluation team will assure that the GCF proceeds cover the incremental costs for adaptation and mitigation, while co-financing by the grantee will cover non-climate related costs and baseline investments.

The proposal then goes to the consideration of the UCAR's Environmental and Social Unit that will assess the environmental and social impacts and mitigation actions (for more details please refer to ESMF in ANNEX IV).

If these assessments are positive, the proposal is sent to the Independent Technical Experts Committee that will issue an opinion and a recommendation for the evaluation of the Approval Committee. If appropriate, the technical and economic viability of the proposals will be evaluated.

The Proposals that meet all the requirements detailed in the following paragraph will have an opinion recommending their approval. This opinion will be reliably communicated to the beneficiaries.

The main aspects that the Committee shall consider in the evaluation and decision of approval or denial of proposals are:

- o That the beneficiary belongs to the target population,
- o That the beneficiary is vulnerable to climate change
- o That the proposal is technically viable and economically profitable
- o That the investment involves adaptation or mitigation,
- o That the presentation fulfills all formal aspects.
- o The contribution of the proposal to the achievement of the Programme's objectives and to the objectives of the Green Climate Fund, consistency with GCF's investment criteria.
- o The consistency among the proposal's objectives, the Programme's strategic guidelines, and the Fund's result management framework.
- o That GCF proceeds cover the incremental costs for adaptation and mitigation, while co-financing by the beneficiary covers non-climate related costs and baseline investments.
- o The consistency between the investment, technical support and/or training proposals with the diagnosis posed, as well as the consistency between the diagnosis and the comprehensive approach to the issues posed
- o The level of impact expected and the degree of ownership of the benefits on the part of the communities
- o Grantees' implementing capacity, the duration of sub-projects to align with the projects' implementing period.
- o Empowerment and autonomy of men and women in relation to participation, decision making, access and control of resources, technological tools and training.
- o Project's viability and sustainability over time.
- o Its contribution to the inclusion of women, young population and indigenous peoples.

The Eligibility opinion recommending approval will be raised with a note that will contain a determined disbursement scheme based on the purchases planned in the Project and the counterpart contributions, which may be in kind.

Every grant will have a contract signed and the scheme of disbursements will be agreed in each subproject in a case by case modality: they will be defined at the stage of the subproject proposal that will be reviewed by the Committees and definitively agreed upon contract signing. For agreements / contracts with these and other parties, please refer to Annex I, Contract models.

The disbursement schedule shall imply two or more disbursements. It may consider that a first advance of funds lower than 30% of the Non-reimbursable grant will be made (% will be defined in the proposal and upon agreement signature). This amount and the contribution of co-finance corresponding to the stage of the project will be fully paid before a new disbursement exceeding 40% of the approved Non-reimbursable grant is made (% will be defined in the proposal and upon agreement signature). Finally, once this second disbursement and the corresponding counterpart contribution are paid, the final amount of the approved Non-reimbursable grant will be transferred. The Beneficiary will undertake to pay the last disbursement and the corresponding co-finance contribution.

Besides, subprojects that foresee the purchase of equipment may choose to make the payment directly to the supplier. In these cases, UCAR will pay the corresponding amount to the supplier upon accountability report of beneficiary's payment to the supplier.

For details on Flow of Funds, please refer to section C.7 Implementation Arrangements.

The beneficiaries will be reliably informed of the provision approved by the Non-reimbursable grant, granting a term of up to 45 (forty-five) calendar days from the notification for the signing of agreement.

The regulatory agreement will be signed by and between UCAR and the Beneficiary and will contain all the information necessary for the execution of the Project directly in the text of the agreement or as an annex to it.

Among other points, the agreement to subscribe must include the following:

- Approved Non-reimbursable grant total amount
- Duration
- Disbursements programme;
- Data of the account to which the funds will be transferred.

The agreement will indicate the penalty in case of breach of any of the requirements established therein.

The expense report must be made according to procedures contained in a Manual, which will be delivered to the beneficiaries at the time of signing the agreement. A technician in territory will accompany the beneficiary during the execution of the project and will provide assistance to make the acquisitions and draw up the accountability documents.

Documentation related to incurred expenses effectively paid, will be presented along with a copy of the invoices together with official receipts / bank transfer vouchers / copies of checks and bank statements.

The beneficiary must accompany each accountability with an explanatory note of the expenses incurred, detailing also Name and Last Name, Name of Bank, Branch, Account Number and CBU [Bank Account Identification Number], where the non-refundable grant must be deposited.

The analysis of expense report will be carried out by the Technical Implementation Unit. They will issue an opinion regarding the verifiable products, the technical relevance of the expenses, as well as the validity of the vouchers presented.

In case the approval is for a lower amount, the next disbursement will deduct the amount not approved and it will not be validated until the objection is amended. If this is not possible, the beneficiary must bear this cost to

prevent the project from failing. If the presentation is rejected, the following disbursements cannot be continued until an approved accountability is submitted.

The projects will be audited before the last disbursement of the total amount of Non-reimbursable grant approved is performed.

### **Procedure for the monitoring of the co-finance in the projects destined to smallholders**

In order to carry out the survey of the contribution made by small producers to the development of projects under Output 2.2, a survey form will be designed to be applied every six months. This instrument will compile the declarations of the members of the organizations or associative groups in terms of the contributions either in money or species made available in order to execute the investments.

Output 2.2 activities consider a co-finance of 10% to be assumed by the Organization. In this sense, the object of the survey is not only the verification of this contribution, but also the detection of participation and/or articulation with other agencies or institutions that could result in leveraged investments from the execution of the project.

The surveyed categories are:

1. **Supplies:** e.g. seeds.
2. **Transportation and mobility:** freight - fuel costs for attending meetings or carrying out project tasks
3. **Labor:** for project constructions - installation of investments
4. **Machinery - work tools:** refers to any equipment that has been acquired after the project was carried out and in relation to it with own contributions.
5. **Expenditure for construction or service facilities:** investment in complementary constructions for the execution of the project financed by the organization or contributions from other institutions. Facilities of services, such as light, gas, etc.
6. **Recruitment of professionals:** technicians / staff hired and paid by the organization to support the Project
7. **Taxes or services:** paid for the operation of the project facilities or by the project itself.
8. **Investments for productive purposes:** for example animals - pastures for the realization of the project.
9. **Acquisition of land:** purchase of land for project facilities
10. **Operating expenses of notary**
11. **Other contributions:** that have been made in the framework of the project by the organization or other organizations: municipalities, NGOs, etc.

The declared activities are monetized according to the value referred to in the local market.

#### *Activity 2.2.2: Awarding and implementation of self-managed revolving funds for adaptation and mitigation projects for organizations and associations of smallholders*

This activity will provide finance through Self-Managed Revolving Funds; these are funds made up of resources (in money or in kind), managed by an organization of rural producers with a degree of institutional maturity, previously evaluated and trained, with the objective of making small loans to its associates, which the Organization recovers in order to lend them again.

The operation is established through a Regulation (or set of rules), prepared and agreed by the members of the Organization with the assistance of the Programme and capacity building trainings. Loan repayment plans and guarantee mechanisms must be adapted to the characteristics of the producer, his income, his conditions and economic activity. Besides, RFs are managed directly by the members of the Rural Organization, seeking to improve social control, reduce transaction costs and empower the organization through a participative process. Please refer to the Chapter 3, Section 3.6.4 of the Feasibility Study for more detailed information on the characteristics and implementation of Self-Managed Revolving Funds for smallholders. Please refer to Chapter 1, Section 1.3.2.2 of the Feasibility Study for more information on UCAR's background experience in implementing

## Self-Managed Revolving Funds.

The grant is awarded to a formal organization of producers that develop (or are developing) an associative productive project. It is not meant for persons or producers that meet for the purpose of obtaining a credit fund or accessing a financing source, but for producers sharing an economic activity. The Credit Fund's purpose is not to make a financial profit, but rather to foster an associative project which must be profitable.

Funds from UCAR to the organizations that will use them as self-managed revolving funds will be transferred as non-reimbursable grants. This means that the funds will be allocated to the organizations for the settlement of the revolving funds, and UCAR won't receive any money back from the operation of this activity. On the other hand, funds from the organizations to the borrowers will be transferred as loans at low interest (in money or in kind). The members of the organization, the borrowers, will return the loan according to previously established guidelines, and according to the agreement signed between the borrower and the organization (please refer to Annex I for models of agreements between UCAR and the organizations and between the latter and the borrowers). Once the loan is returned to the organization, the funds will be assigned to new members of the organization, in order to continue with the functioning of the revolving fund.

It is important to highlight that:

- The functioning of the self-managed revolving fund must be established by a written set of rules which must be agreed between the Programme and the Rural Organization. Beneficiaries may participate in the amendment of agreements and rules in order for them to be better adapted to changes. The rules establish dispute resolution mechanisms, which are adapted to local conditions.
- Loan repayment plans and guarantee mechanisms must be adapted to the characteristics of the producer, his income, his conditions and economic activity. Formal guarantees are not required, though they could be applied depending on the project.
- Management seeks to be participatory. The fund is administered directly by the producers: they are involved in setting up its regulation.

And, besides, that the interest rate that may be applied does not look forward to generate an income to the organization but rather avoid the loss of value of the fund due to inflation.

Please refer to section C.7 for further details on Flow of funds.

Contracts will be signed with the grantees (please refer to ANNEX I for model contracts for the different types of grants) and will contain all the necessary information for the execution of the Project directly in the text of the agreement or as an annex to it. The contract will also contemplate each party's obligations, including the grantees responsibilities and plan for operation and maintenance of the project. Please refer to section C.7 Implementation Arrangements for details on flow of funds.

The provision of the revolving funds from UCAR to the rural organizations and from these to the ultimate beneficiaries is not a regulated activity. In the first case it implies the provision of a non-reimbursable grant. In the second case, it is a private agreement between private parties and besides the activity does not imply a financial profit to the organization since it receives and manages a grant from UCAR.

### **Rationale for supporting Self-Managed Revolving Funds for smallholders**

Although projects might require important investments in infrastructure and equipment, there are also significant expenditures that projects require in order to be successfully implemented. These expenditures (working capital) are recovered as long as the project develops (mostly within one-year period). Loans should not exceed the necessary amount in order to obtain benefits and they should be repaid in a short term.

For example, small-scale producers in the northern provinces are exposed to droughts in increased frequency and intensity. The fact that they are subsistence farmers makes them extremely vulnerable to these climate events because they do not count with the necessary resources to buy animal feed during these critical periods of drought. Additionally, animal feed is scarce and its price increases. Moreover, family agriculture producers do not

have access to credit or other financial alternatives. Consequently, the Programme's proposed Self-Managed Revolving Fund gives the vulnerable producers the possibility to access finance to buy and stock animal feed at a good price before the drought period and in this way become more resilient to climate change.

Some other examples would be:

- supplies to support resilient low-carbon agriculture such as animal feed (to stock for drought or flood periods), seeds of more resistant crop varieties, organic fertilizers, improvements in irrigation systems and water, improvements in livestock management by building corrals, among others.
- supplies for equipment maintenance and sustainability, such as replacement of batteries for renewable energy systems, or renewal of energy efficient appliances, among others.
- supplies to increase the resilience of infrastructure to climate events, such isolation of constructions, maintaining the water drainage systems in the land, among others.

Normally, small rural organizations, and their members (small farmers), don't have access to formal credit. The credit they may get is generally informal and expensive and mainly provided by suppliers or oligopsonic buyers. Regarding market rates, those available for bank loans, are around 20%. However, as small rural organizations and their members don't have access to formal credit, these rates do not apply for them. An alternative for them would be to access microcredits that not only greatly exceed the bank loans rate, but also do not serve to acquire many of the investments that are proposed within the Programme. Therefore, the revolving fund beneficiaries do not have access to other types of financing.

Financial constraints might jeopardize the success of the projects. That is why funds used for giving credit within members of a rural organization help them to access fairer credit conditions as well as to enhance its role as a service providing organization.

Although, these revolving funds will be used exclusively to promote projects for mitigation and adaptation, this fund management helps the organization to strengthen its administrative capacities. Besides, the rate applied within the revolving fund will be determined according to the necessities so that the fund does not decapitalize and taking into account the possibilities of the producers as well.

Finally, the use of successful revolving funds will contribute to the sustainability of the projects and the implementation of credit tools within a community therefore empowering the community.

The idea is that the revolving funds do not end but continue to provide funding within the organization even beyond the Programme's lifetime. However, as the programme has a term, monitoring will be carried out during its implementation, and could continue after the Programme's lifetime in the case UCAR considers it necessary.

Since the revolving fund complements an associative project financed through Activity 2.2.1 there is a security for adequate management that is related to the need of financing in order to keep carrying out the associative productive project. This allows to solve other conflicts, unlike traditional micro-credits:

1. Belonging to the group
2. Concrete possibility of income improvement due to the credit.
3. Adequacy of the credit to the concrete need of the taker.
4. Reduction of operations' costs.

The Programme will assure that projects include a climate change vulnerability analysis based in an assessment methodology that will be defined through the participatory process described previously in Component 1, and that the proposed investments are the most appropriate according to the diagnosis of vulnerability. This approach will be achieved through the training of territory technicians and beneficiaries in climate change (through the activities planned in Component 1). In this way the Programme will ensure that GCF proceeds will cover incremental costs.

<b>Adaptation and mitigation projects for organizations and associations of smallholders</b>	
Beneficiaries: Formal organizations of family agriculture producers that are implementing a project from output 2.2.1	
Scope	<p><u>GCF Results areas of intervention:</u></p> <ul style="list-style-type: none"> <li>- Energy access and power generation (in particular renewable energy)</li> <li>- Forestry and land use</li> <li>- Most vulnerable people and communities</li> <li>- Health and well being, and food and water security (in particular low-carbon and climate-resilient agricultural production, sustainable and integrated management of natural resources, water management)</li> <li>- Ecosystem and ecosystem services (in particular land planning and ecosystem conservation)</li> </ul> <p><u>Investment examples:</u> organic fertilizers for resilient low-carbon agriculture production; animal feed to stock in case of drought or floods; replacement or maintenance of batteries of renewable energy systems; supplies to improve the resilience of infrastructure to extreme climate events; supplies to improve the efficiency and maintenance of water irrigation systems or access to safe water.</p> <p>For climate change analysis of investments please refer to Chapter 3, section 3.4 of the Feasibility Study.</p> <p><u>Financial instruments:</u> <i>Self-Managed Revolving Funds</i></p> <p><u>Maximum sum per MAP assigned:</u> 100,000 USD  <u>Maximum sum per project:</u> 50,000 USD  <u>Maximum sum per family:</u> 3,000 USD</p>
Eligible expenditure	Working capital linked to investments in projects from activity 2.2.1.
Eligibility criteria	<p>Formal Rural Organizations of family agriculture producers, typology A, B and C<sup>8</sup>: at least 80% of the members must be clearly qualified within these categories.</p> <p>Annual net family income must be less than the equivalent of twice the Monthly salary</p>

<sup>8</sup> Type A family producers: These are small-scale family producers who do not have enough resources to live solely on the produce of their units. That is why they must resort to work outside their units. They sustain strong structural poverty conditions.

Type B family producers: These are small-scale family producers who have patently little resources (land, capital, equipment), which makes it difficult for them to broaden their production system and grow. Simple reproduction is the form activity is maintained. They have a highly sporadic relation with the produce market.

Type C family producers: They are mostly producers in relation to markets and with some level of minimum capitalization and fairly consolidated associative forms. All these categories present NBI indicators that classify them as poor.

	<p>corresponding to a rural pawn for the term of one year according to the CNTA.*</p> <p>Investments must be aligned with the territorial diagnosis.</p> <p>Vulnerability of beneficiaries to climate change according to the assessment methodology to be defined in the participatory process.</p> <p>The Rural Organizations must comply with the following:</p> <ul style="list-style-type: none"> <li>● They must possess legal personality and be formally registered with the government body that regulates its type.</li> <li>● Their authorities must be in office.</li> <li>● Their Bylaws shall allow them to carry out the Project's activities.</li> <li>● They shall not owe unpaid debts from judicial collection process to official National or Provincial Programs or Projects.</li> <li>● They shall hold a bank account.</li> <li>● The Rural Organizations should not necessarily have experience in managing revolving credit funds since they can be trained during the Programme.</li> </ul>	
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\* The rural pawn salary is currently 10.368 Argentinean pesos, which is equivalent to USD 589 per month –data of the Wage Scale of Agricultural Workers 2016-2017. The annual average income of the rural pawn is 7.657 USD. However, most of the beneficiaries are rural smallholder or subsistence farmers, who are not employed full time as rural pawns. They mostly make money from odd jobs, have some livestock or agriculture production and receive government contributions to subsist.

According to the National Statistics Institute (INDEC), the basic food basket per household comprised by 2 adults and 2 children is estimated to be USD 842 per month (year 2017). The average monthly salary in the country for the private sector is USD 1.344 per month -data of the National Ministry of Labor (2017). Thus, the annual average income for the private sector is USD 17.472.

It is observed that the annual average income of the rural pawn is under the 50% of the annual average income for the private sector.

To determine the eligibility, the rural smallholder sums up the entire income received by the whole family in a month, including government pensions and contributions, and then it is multiplied by 13. This yearly income is compared to the parameter of twice the rural pawn salary also annualized, which is USD 15.314. In order to be eligible as grantee, the annual income household of the rural smallholder cannot exceed this amount.

### **How the Self-Managed Revolving Fund works**

- The SMRF is created from a non-reimbursable grant from the Programme, conditional to its proper use.
- This grant is received after the Rural Organization signs a formal agreement with the Programme.
- The functioning of the self-managed revolving fund must be established by a written set of rules which must be agreed between the Programme and the Rural Organization. Beneficiaries may participate in the amendment of agreements and rules in order for them to be better adapted to changes. The rules establish dispute resolution mechanisms, which are adapted to local conditions.

- Loan repayment plans and guarantee mechanisms must be adapted to the characteristics of the producer, his income, his conditions and economic activity. Formal guarantees are not required, though they could be applied depending on the project.
- Management seeks to be participatory. The fund is administered directly by the producers: they are involved in setting up its regulation.
- There is control on the compliance of the rules as well as penalty possibilities.

In order to avoid capital loss due to non-repaid grants, the Programme will accompany the Rural Organization's process to define the revolving funds from the beginning, working strongly with producers on the idea that non-compliance with the re-fund harms the financing capacity affecting other members of the organization that will be unable to access credit. One of the alternatives that will be recommended in order to avoid this risk is that the fund allocates an amount to cover these cases. For this, a percentage can be included in each credit, as a forecast of bad debts.

### **Project Formulation, Assessment, Monitoring and Evaluation**

1. The Programme will make a call for the presentations of SMRF projects, announcing the selection criteria for eligible Rural Organizations and Projects.
2. Rural Organizations will apply through an application form, presenting a first draft of the idea/project.
3. The Programme will assess the conditions of the Rural Organizations through a diagnosis, as well as the pertinence and economic viability of the proposed project. The Programme will assess as well that GCF proceeds cover the incremental costs for adaptation and mitigation.
4. If the project idea is approved the Rural Organization, with support of the Territorial Formulation Team and the Technical Implementation Unit, formulates the project. This includes defining the required amount of the grant, targets and payments plan, and preparing the regulation for the SMRF. The disposal of a common good (in this case, the fund) is adjusted to local conditions through the Rules drafted by the Organization itself.
5. Once the Project is formulated as well as the Regulation, the Programme will make an initial payment. Conditional disbursements will be made subject to the Project goals' achievement.
6. The Rural Organization shall be provided with proper training for it to make a good use of the Fund and systematically register the operations conducted. Moreover, it shall submit a report with basic financial indicators to the Programme every six months.
7. The Programme will conduct regular audits in order to monitor the functioning. The Programme will carry out backing and monitoring activities for the Organizations that benefit from these Projects.

Backing and monitoring activities by UCAR's Rural Finance area (which depends on the area of competitiveness within UCAR) will be carried out during the Programme's implementation and beyond the Programme's lifespan for organizations that do require it. For more details on UCAR's organization chart and main areas involved in the Programme's implementation please refer to section C.7 in the Funding Proposal.

8. The Programme may require a return of the funds.

### **Implementation and monitoring methodology**

Within the Competitiveness and Non-reimbursable Grants Unit of the Area of Programmes and Projects Management of UCAR, the Rural Finance Sector was created with the aim of facilitating access to rural financial services for small producers.

In this sense, the Rural Finance Sector counts with a trained team that works in the constitution of Revolving Funds in the different rural development programmes carried out by UCAR, giving support and training the rural organizations to help them generate their financial management capacity.

This sector will work closely with the Technical Implementation Unit and the Territorial Formulation Team all along the Project Formulation, Assessment, Monitoring and Evaluation that has been described before.

The Programme, through the Rural Finance Sector (through the financial specialist foreseen in the budget) will

train the Rural Organizations directly, and the territory technicians as well in order to generate responsiveness and assistance in the territory too. Based on UCAR's experience, an implementation and monitoring methodology has been drawn up, which consists of four steps that we define as key stages in the implementation process of a SMRF. For each of these steps, the respective backup material has been developed.

The four key steps are the following:



**Figure 2. Four keys steps for implementation and monitoring methodology**

*Source: Prepared by the authors.*

For these steps to be put into practice, meetings with members of the organization implementing the SMRF will take place with the support of UCAR's financial specialists that count with an understanding of the methodology.

The material designed for the application of the methodology consists of:

1. Diagnosis of Organizations for the Development of Self-Managed Revolving Funds
2. Practical Guide for the Drafting of the Self-Managed Revolving Funds' rules.
3. Instructions for Management and Registration of Self-Managed Revolving Funds
4. Instructions for Assessment of Self-Managed Revolving Funds

Regarding the registration specifically, alternatives have been sought in order to adapt it to each organization's reality and the needs expressed by users. By way of example, the forms designed as backup documentation for the register may be used in digital format (spreadsheets) and/or in printed format (register notebook), in such a way that either the organizations that can operate computers or the ones that keep their records in printed format may complete them, always with the purpose of improving the management skills of the organizations and producers using the tool.

In order to foster those most advanced organizations with more complex operations, UCAR has developed straightforward management programme software, which allows systematizing registrations.

As it has already been addressed, the Rural Organizations shall submit a report with basic financial indicators to the Programme every six months. These reports must be made according to procedures contained in a Manual that will be delivered to the RO at the time of signing the agreement.

The analysis of the report will be carried out by the Technical Implementation Unit (with the support of UCAR's financial specialist from the Rural Finance Sector). They will issue an opinion regarding the use of the funds. On-site visits will be carried out as well for territory verification.

Self-managed revolving funds will be monitored during the implementation of the Programme and monitoring could continue after the Programme's lifetime in the case UCAR considers it necessary.

The idea is that the revolving funds do not end but continue to provide funding within the organization even beyond the Programme's lifetime. However, as the programme has a term, monitoring will be carried out during its implementation, and could continue after the Programme's lifetime in the case UCAR considers it necessary.

### **Programme activities related to Self-Managed Revolving Funds**

Component 1 includes the development of training activities and workshops related to supporting organizations for the implementation of Self-Managed Revolving Funds, preparing the set of rules for the functioning of the Credit Fund. The Programme will also carry out capacity building activities regarding administration and

accountability and monitoring.

Additionally, costs of evaluating the organizations that present themselves to the call for proposals for Self-Managed Revolving Funds is included in the Budget.

### **Rationale for budget allocation and outputs delivered**

17 million USD from the GCF will be made available for investments in:

- Systemic projects of public investment: in the Programme's budget, 8 million USD, co-finance by local governments of 20%, equaling to 2 million USD). This is equivalent to 2 million USD per micro region to be assigned to this type of investment. 8 systemic projects of public investment are expected to be implemented within the 5 micro-regions.

For detail on this estimation please refer to Annex VII and VIII where assumptions on the resource allocation and average cost of projects are included.

- Adaptation and mitigation projects for smallholders: 9 million USD in grants and 500,000 USD in revolving funds. In the case of grants, the co-financing of the beneficiaries would equal 1 million USD; and UCAR would assign a co-financing of around 500,000 USD in rural development projects that will be related to the climate change initiatives funded by the GCF. All in all, grants would allow performing adaptation and mitigation projects for 1,750 families, and revolving funds would allow financing for 415 families.

As many activities can be combined in the sub projects formulated by rural smallholders associations, or associative groups, an average of 5,714 USD per beneficiary is assumed. This average amount is estimated based on the historical average investment per family in rural development programs implemented by UCAR.

According to this assumption, the total beneficiaries for the sub-component are estimated to be 1,750 ( $10,000,000/\text{USD } 5,714=1,750$ ).

Adding the 16 million USD from the GCF and the 3 million USD of the beneficiaries co-finance, 19 million USD will be directed to investments in climate change related projects, that is to say 3.8 million per micro region. During the participative projects of the first year, each micro region will decide the type and scale of projects that will be financed, and will be allowed to reassign 10% of the 3.8 million USD from one window to the other (from 2.1 to 2.2 or vice versa).

### **Component 3: EDA Programme management and M&E**

#### **Output 3.1: Programme management**

##### *Activity 3.1.1: Programme management*

The execution activities are intended to ensure that the objectives and targets of the Programme are fulfilled at each stage. To such end, a day-to-day planning and articulation work with the different actors is required, as well as a diligent and transparent fund administration tasks. The latter will be guaranteed by UCAR's administrative support areas: Human Resource Management Area for the hiring of consultants; Procurement Area for the procurement of goods and services; Accounting areas, Budget area, Payment area, Agreement and Disbursement area, these are a few of the areas which will ensure the transparency of the circuits and the appropriate accounting to the financing entity on a daily basis.

The Technical Implementation Unit will be composed of the following units:

- **Technical Implementation Unit (TIU):** housed at UCAR's central offices, this team will hold interdisciplinary capacities for the day-to-day supervision of the project. This team will be responsible of

ensuring that the project produces the results specified in the Project Document to the required standard of quality and within the specified constraints of time and cost. This team will bring support to the **Technical Experts Team** and the **Local referents** in order to maximize their reach and impact as well as for the delivery of quality products. The TIU will have the support of the UCAR's administrative and accountability areas for the transparent and effective execution of the project.

The TIU will have a Programme coordinator and 3 micro region coordinators based in UCAR's offices; 5 local micro region facilitators based in the micro regions (1 in each micro region); an environmental specialist and a social specialist that will supervise all the environmental and social issues (the social specialist will have specific knowledge on Gender and Indigenous Peoples Issues). These staff will be contracted with GCF funds specifically for the project; besides, UCAR will assign an organizational empowerment specialist, a communication specialist, a financial specialist, and 3 more consultants for general support for implementation. No civil servants' salaries will be covered by GCF proceeds.

On the side of monitoring and evaluation activities, a monitoring specialist will be hired by the project, whilst 1 evaluation specialist from UCAR will be assigned to the programme. All these staff have been included in the Budget (please refer to Annex VI).

- **Technical Experts Team**
- **Formulators**
- **Local Referents**
- **Micro-region Ad-hoc Associations**

For further details on the functions of the TIU's units and implementation arrangements please refer to the section C.7 below and Chapter 3, section 3.9 in the Feasibility Study.

The Technical Implementation Unit will have to lead the following tasks:

**Coordination:** professionals to integrate the Technical Implementation Unit, Local Referents, and Technical Experts Team will be hired. Their functions have been described in detail in Section C.7 Implementation Arrangements, as well as in Chapter 3, Section 3.9 of the Feasibility Study.

**Determination of methodologies and processes:** activity taking place at the beginning of the Programme.

**Determination of procurement processes:** this activity is meant to provide manuals and instructions necessary for the appropriate fund administration and information flows and approvals.

**Determination of Methodology to address the micro-regions:** A Methodological Guide for the development of a Climate Change Strategy at the scale of micro-regions will be developed based on the experience of the IDemi Programme conducted by UCAR and the Pilot Methodology for Adaptation Planning carried out in the Yavi Micro-region.

Such guide will include precisions on the participatory processes to be carried out for the determination of the MAPs, project prioritization, configuration of ad-hoc associations, and institutional arrangements, which shall be guaranteed at the local level. This guide will incorporate the guidelines of UCAR's Gender Strategy and the Programme's Gender Action Plan with the purpose of ensuring gender equality throughout the Programme's cycle, from preparation of the MAPs, to the calls for training, to the design of execution and monitoring of the activities. The guide will also give precisions to ensure UCAR and GCF environmental and social principles are met.

**Establish grant assessment and approval processes:** Grant assessment and approval will be established

based on UCAR's non-reimbursable grants methodology for GCF projects. To be analysed and adapted to the needs and realities of the territory at a micro-region scale.

### **Output 3.2: Monitoring and Evaluation**

#### *Activity 3.2.1: Monitoring and Evaluation*

Monitoring and evaluation activities will be done under the responsibility of the Technical Implementation Unit and UCAR's Management Control Area.

The monitoring and evaluation tasks include the following:

- **Inception workshop:**

An initial workshop will be organized during the first month of the implementation of the Programme to be attended by the executing parties, the Technical Implementation Unit, the Steering Committee, responsible agents, and UCAR. The workshop will establish the execution and implementation mechanisms, as well as the finalization of the necessary agreements between the different parties to ensure transparency and efficacy in carrying out the Programme. In the inception workshop, the guidelines for the monitoring and evaluation of the Programme will be provided to all relevant stakeholders and the indicators will also be analyzed and discussed with them to ensure appropriation of the M&E System, and the importance to comply with the guidelines provided to learn and ensure the correct follow-up of the Programme. Also, the Gender Action Plan will be presented with its indicators, to guarantee that all the parties involved in the execution of the Programme knows the gender objectives and do an adequate gender monitoring and evaluation. It is expected that at the end of the project, each participant will be able to identify the M&E system requirements, the different indicators, the responsibility of each person in the process of reporting, collecting data, registering the information, elaborating different reports and communicating the progress of the Programme to the different publics.

Models of agreements between the relevant parties can be found in Annex I – Model Contracts. Specifically, during the inception workshops the agreements to be signed are the agreements between UCAR and the ad-hoc associations. The relevant parties that need to be in place will be defined during the participatory processes that have been described in Component 1. However, as the institutional framework of the micro-region, it will be assured that the ad-hoc associations are composed of actors from public, private and scientific-technological sectors that are related to the micro-regions. Besides, agreements will be signed with other public institutions which are present in the micro-regions, e.g. National Institution of Agriculture Technology or the Under-secretary of Family Agriculture, in order to obtain support for the formulation and implementation of the projects. These agreements are exclusively focused on technical cooperation, and thus these institutions will not manage or transfer funds: only expenses derived from their technical work such as travel expenses, materials for training sessions and similar will be covered by the project.

It is important to highlight that the extension teams of the National Institution of Agriculture Technology and the Under-secretary of Family Agriculture cover the entire national territory and have strong territory presence.

- **Registration of information,** informatics arrangements and monitoring support

The M&E sector within UCAR will be responsible for the development of the different registration tools and its dissemination among beneficiaries. Each micro-region will have to comply with a semester report with information about the evolution of the expected outputs and results included in the logical framework, along with a description of the different activities done, difficulties experienced within the period and the evolution of the projects.

Each project financed by the micro-regions will be registered in the Informatics System of UCAR (SIIG Spanish acronym) to allow for a better information, monitoring and evaluation scheme. As mentioned in other sections, specific indicators will also be included to measure each project of the different beneficiaries. In this regard, UCAR will also provide additional support for the correct measurement of each of the indicators included in the projects.

For the monitoring of the counterpart of smallholders, there will be a specific questionnaire, which will register in-kind and cash counterparts made. The in-kind counterpart is usually estimated, according to the market value of the contribution. Therefore, if they work to install the different on-farm investments instead of paying someone professional service to do it, they register the counterpart as the work-hours and the salary it would have cost.

- **Six-monthly Reports** from the micro-region beneficiaries and **on-site monitoring visits**

The Programme will be monitored by means of six-month evaluations to supervise the progress made from the beginning of its implementation. These evaluations will help identify the lessons learned jointly with the players concerned and the beneficiaries of the Programme. UCAR's authorities and members of the Programme will perform regular visits to the Programme areas based on a schedule agreed in the Annual Work Plan, including the financial monitoring of the implementation.

Each report will include a Gender Section, with special attention to the progress and results of Gender Action Plan implementation and of the indicators refer to women participation included in the logical framework.

- **Annual Reports** to be submitted to the Green Climate Fund:

Annual Reports of the Programme with relevant information about the evolution of the project, progress made towards the achievement of goals, lessons learned, risk assessment, project outputs delivered by the Programme, progress made towards outcome's achievement, expenditure and acquisition reports along with any other relevant information included in the template of the Green Climate Fund. The AE -UCAR-will be responsible for collecting and submitting the annual report to the Fund, according to the template and regulations provided.

- **Annual Gender Reports** to be submitted to the Green Climate Fund:

Each year, the social specialist based in UCAR and the gender expert will register all the information for monitoring the process of participation of women and men. These will include the results of basic indicators and the new ones, provided by the baseline study and the household survey during the first year. The reports will include relevant information about gender issues and lessons learn about women involvement and their participation in climate change activities.

- **Mid-term evaluation**

The Programme will be submitted to an **external and independent evaluation in the middle of its term** of completion, or once half of the funds are allocated. This evaluation will determine the pertinence of the Programme after some time of its implementation, the efficacy of the actions, the efficiency of the activities implemented; and the progress made towards the achievement of the results. It will also identify any required corrective actions that will help the coordination of the Programme to better achieve programmes goals and an efficient allocation of resources. The external review will focus on the progress made to reach the expected results, the status of the institutional arrangements for implementation, and the examination of the action plans.

The mid-term evaluation will include an assessment of the implementation of the Gender Action Plan and, if it is the case, recommendations of the course of action. It is expected to have a mid-term evaluation of Programme's gender strategy.

It is envisaged that there may be a re-definition of prioritized micro regions in the event of delays or issues in the execution of funds in any of the micro-regions prioritized by the Programme.

- **Results Evaluation and Final Report** after termination of the project:

Once the Programme is completed, and within the following six months, an external final evaluation will be conducted to verify the achievement of the expected results and its impact as initially planned or modified by the mid-term evaluation and recommendations. It will also analyze the sustainability of the actions, the effectiveness of the strategies implemented and potentiality to replicate them. The efficacy and pertinence will also be included along with transversal topics such as the impact on women, indigenous families and young people in the area. A special analysis will be fostered in analyzing the contribution of the Programme to the GCF core results identified in the logical framework, specifically those selected after the first year of the implementation of the Programme.

The Final Report will include the data of the results evaluation, which will be done through a household survey and will allow the evaluator to estimate the outcomes achieved, the adaptation and mitigation capacity generated in the community-level and government officials along with the broader impact in the micro-region sustainable development.

The results and final report will include a Gender Section, with the impact results of Gender Action Plan, a thorough analysis on the main gender issues related to climate change and the effectiveness of Programme's gender strategy. Also it will be verify if all the gender indicators and targets were achieved and / or exceeded.

- **Case-studies and qualitative assessments**

It will be promoted within the micro-regions to identify good practices in the management of natural resources, adaptive and mitigation strategies and to document them with participatory systematizations and specific case studies.

Among the case studies, one of them will be on women empowerment and climate change, as a good practice related to Programme's gender strategy.

- **Knowledge management and learning**

The M&E system will ensure the dissemination of information, lessons learned, good practices and all relevant data from the project. A participatory approach will also be promoted, to ensure the ownership of the Programme by all the stakeholders and to promote evidence-based informed policy to government officials.

### **Project management costs**

The project management costs of 8% are in line with the management costs of UCAR's projects and programmes implementation.

Besides, the requested fee of 9% will cover the overhead costs related to the implementation of the Programme: permanent staff costs (administration and finance, Human Resources, Environmental and Social Unit, Communication), oversight functions (Senior Management); bank costs; administration fees; equipment and materials; financial audits; and others. These costs have been clearly separated from the project management costs and there is no overlap. Please see Annex XI -Fee breakdown, for further details.

### **Programme target population**

The Programme is intended to generate a transformation across the entire micro-regions so as to generate a locally transcending impact towards a low-carbon, climate-resilient development.

In this regard, the population benefiting from the Programme will be the entire rural population of the micro-regions, including small-scale producers with high poverty levels and population from rural towns within the micro-region.

The main beneficiary group of the Programme encompasses groups of rural population with high poverty levels and vulnerability to climate change, including small-scale family producers, indigenous communities and rural workers.

In general, these groups have a high sensitivity to climate variability and they have a low adaptive capacity due to the following factors: deficient assets, limited resources, isolation, limited access to services and markets, food insecurity, land tenancy insecurity, low levels of education and organization, lack of climate change awareness, and lack of technological capacity.

Additionally these groups lack of access to technology and financing that would allow them to become more

adapted to climate change.

The Programme is expected to benefit about 5,750 families (that is to say, 28,750 beneficiaries), distributed as follows:

- 4,000 families (20,000 beneficiaries) living in rural areas who benefit from systemic public projects;
- 1,750 families (8,750 beneficiaries) of small-scale family producers and rural workers.

In order to reach the target population, the calling and communications will be inclusive and promote the equal participation of men and women.

The Programme will identify and address barriers or obstacles faced by men and women, depending on their age and socio-economic condition, to access the Programme's financial windows and other benefits, and consequently the Programme will instrument the necessary measures to reduce such limitations.

The diversity of current family structures will be considered, especially those where women are the head of the household, households with single mothers or fathers with children or youngsters in their care. Even though the proposed financial instruments are addressed to the entire family group, we recognize that whoever takes on ownership of the grant will be more participative in the project. That is why the Programme will aim to ensure that the decision-making process of ownership of the grants will be equal for both men and women.

Regarding land tenure, the Programme will define within the Programme's Operations Manual (please refer to section C.7 Implementation Arrangement for more details on programme's implementation mechanisms) the different information/documents that will be considered from the beneficiaries in order to demonstrate their linkage with the land that is object of investment. The definition will be based on UCAR's vast experience and trajectory executing rural development projects and programmes within the target population that will benefit from the Programme. In cases where the beneficiary does not count with the information/documentation required by the Programme, UCAR can provide with the guidance and training so that the beneficiary can initiate official formalities in order to process the requested information/documentation. Finally, the trainings on organizational strengthening proposed in Component 1 will include land tenure approach.

#### **C.4. Background Information on Project / Programme Sponsor (Executing Entity)**

*Describe the quality of the management team, overall strategy and financial profile of the Sponsor (Executing Entity) and how it will support the project/programme in terms of equity investment, management, operations, production and marketing.*

**UCAR (Unit for Rural Change)** falls under the Ministry of Agroindustry to which it reports and has recently been accredited as **Accredited Entity** before the Green Climate Fund.

In the present EDA Proposal UCAR will work as Executing Entity as well, ensuring that the objectives and targets of the Programme are fulfilled at each stage.

UCAR has a vast experience in activities associated with the planning, negotiation, formulation, administration, monitoring and evaluation of programmes and projects financed totally or partially by external resources, under the jurisdiction of the Argentine Ministry of Agroindustry. The objectives of these Programmes and Projects cover broad profiles of agricultural exploitation, whereby investments are made so that the standard of living of rural producers and their families may overcome vulnerability conditions by raising the quality and competitive capacity of agricultural produce.

The largest projects in UCAR are related to management of water resources, basic infrastructure, promotion of investments in productive chains and competitive improvement initiatives. In this sense, UCAR can strongly

contribute to the result areas of Infrastructure, and Food and Water Security.

Sustainable land use and forest management and Ecosystems are other GCF results areas in which the UCAR can achieve significant contributions on the basis of the experiences with three programmes related to this area: Forest Sustainability and Competitiveness (IDB), Sustainable Management of Natural Resources (IBRD) and Biodiversity Conservation in Productive Forest Landscapes (GEF). Moreover, sustainability issues are increasingly becoming core aspects in the whole intervention of UCAR in the Argentine territory.

On the other hand, UCAR's experience in Increasing Resilience and Enhancing Livelihoods of the most vulnerable people, communities and regions, has been proved by the execution of a significant number of rural development programmes such as PRODERI, PRODEAR, PRODERNEA and PRODERNOA (IFAD). The climate perspective was explicitly included in PRODERI and fully developed through the expertise gained with the on-going Adaptation Fund project in the Northeast of the country.

Finally, the contribution to increased low-emission energy access and power generation will be promoted by UCAR in an innovative way, as demonstrated by the on-going Innovation Initiative of wind tunnels, as well as various renewable energy implementations.

Summing up the above mentioned programmes, we can state that UCAR's financial volume of explicitly designed climate-change activities<sup>9</sup> represents a portfolio of more than 467.5 USD million, from which 350.2 USD million have already been executed; however, considering the nature of UCAR's programmes, we can state that, to a greater or lesser extent, the whole of its financial volume is related to increasing adaptive capacities, representing, to date, a portfolio of over 1,300 million USD of on-going programmes and 1,276 million USD of completed programmes.

UCAR has significant experience and capacity to articulate different interventions, thus creating coordination and synergies between different projects and even different supporting entities. The ability to articulate interventions in the territory is UCAR's strength in a federal scenario under which the Argentine Constitution grants the ownership of natural resources to the Provinces.

UCAR, in line with the commitments undertaken by the Argentine State of doing away with gender gaps existing in society, will make sure that every programme and project executed by UCAR contemplates as part of their strategic focuses the gender approach in a cross-cutting manner during the projects' entire life cycle. Women and men participation in rural production on an equal footing is a principle that must be guaranteed at each one of the interventions. In this context, UCAR prioritizes the improvement of the livelihoods of both men and women across all its activities acknowledging as fundamental values environment preservation, social justice, gender equality, and respect for cultural diversity under an approach of human rights<sup>10</sup>.

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<sup>9</sup> Considering the Adaptation Fund Project, PRODERI's adaptation projects and PROSAP's irrigation projects.

<sup>10</sup> Publications made by UCAR in gender and aboriginal peoples available in digital format:

***Practical Guide for Rural men and women Technician. Rural development based on a gender approach.***

***<http://www.ucar.gob.ar/images/publicaciones/Gu%C3%ADa%20Pr%C3%A1ctica%20para%20t%C3%A9cnicos%20y%20t%C3%A9cnicas%20rurales.%20El%20desarrollo%20rural%20desde%20el%20enfoque%20de%20G%C3%A9nero.pdf>***

***The new generations of change-promoting rural women . A quantitative/qualitative study of the situation of young rural women, of their opportunities and their needs.***

***<http://www.ucar.gob.ar/images/publicaciones/Las%20nuevas%20generaciones%20de%20mujeres%20rurales%20como%20promotoras%20del%20cambio.pdf>***

***Gender and Rural Property. Catamarca, Santiago del Estero and Tucumán***

***<http://www.ucar.gob.ar/index.php/biblioteca-multimedia/buscar-publicaciones/23-libros/291-genero-y-propiedad-rural-catamarca-santiago-del-estero-y-tucuman>***

***Gender and Rural Property - 2nd issue***

***<http://www.ucar.gob.ar/images/publicaciones/G%C3%A9nero%20y%20Propiedad%20Rural%20-%202da%20Edici%C3%B3n.pdf>***

***Study on Intervention Precedents with Indigenous Peoples.***

***<http://www.ucar.gob.ar/images/publicaciones/Estudio%20sobre%20experiencias%20de%20intervenci%C3%B3n%20con%20pueblos%20indigenas.pdf>***

UCAR will provide support to the Programme through all its administrative, accounting and financial, human resources, monitoring and evaluation areas. In particular with regard to communication, it is important to highlight the proven competencies of UCAR through its Communication and Dissemination area, which is oriented to coordinate the communication strategy of UCAR and establish its main guidelines, through the generation and strengthening of communication and dissemination tools.

For further details on UCAR's competencies and responsibilities for the execution of this Programme and as Accredited Entity, please refer to Component 3 description in Chapter 3 in the Feasibility Study or section C.3. in the Funding Proposal and section C.7 Institutional Arrangements in the Funding Proposal.

Besides, for further details on UCAR's proved experience in the execution of initiatives in the NOA and NEA regions and with the implementation of Revolving Funds please refer to Chapter 1 point 1.3 in the Feasibility Study.

### **C.5. Market Overview (if applicable)**

*Not applicable.*

### **C.6. Regulation, Taxation and Insurance (if applicable)**

*Provide details of government licenses or permits required for implementing and operating the project/programme, the issuing authority, and the date of issue or expected date of issue.*

*Describe applicable taxes and foreign exchange regulations.*

*Provide details on insurance policies related to project/programme.*

All project activities must be compliant with local, national and international legislation. Government licences or permits required for implementing and operating the Programme will be identified by the Formulation team in order to prepare and support projects for ensuring compliance.

Regarding Environmental and Social issues, activities must be compliant with GCF E&S safeguards and UCAR's E&S Policy and Manual. Each activity will be analysed specifically with the Formulation team, who is to verify whether it is necessary to meet any specific regulation, permitting, special licenses, and who is to ensure that the rights of any person or community are not infringed.

However, in order to ensure compliance with the environmental and social principles of the GCF and with national legislation, UCAR shall apply the institutional processes and track records it has in place, for the identification, assessment and mitigation of Environmental and Social risks. UCAR will establish an Environmental and Social Management Plan (ESMP) for the project during the stage of Funding Proposal development.

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#### ***Report on Gender Gaps for Andean Chains.***

<http://www.ucar.gob.ar/images/publicaciones/Informe%20Brechas%20de%20g%C3%A9nero%20en%20las%20cadenas%20andinas.pdf>

#### ***UCAR's Environmental and Social Policy***

<http://www.ucar.gob.ar/images/publicaciones/Politica%20Ambiental%20y%20Social%20de%20la%20UCAR.pdf>

#### ***Systematization of Cross-Cutting Indicators regarding Gender, Young people and Indigenous Peoples.***

<http://www.ucar.gob.ar/index.php/biblioteca-multimedia/evaluaciones/1839-sistematizacion-de-indicadores-transversales-referentes-a-genero-jovenes-y-pueblos-indigenas>

#### ***Project of Socio-Economic Inclusion in Rural Areas: Environmental and Social Management framework.***

<http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvaguardas/876-proyecto-de-inclusion-socio-economica-en-areas-rurales>

#### ***With our voices, with our hands. A youth political agenda for the transformation of rural territories.***

<http://www.ucar.gob.ar/images/publicaciones/Con%20nuestras%20voces,%20con%20nuestras%20manos.pdf>

Additionally, as some Environmental Impact Assessments are likely to be prepared during the project implementation, due to the nature of activities, UCAR confirms that this ESMP will be commensurate with the risks identified and in accordance with the project ESMP categorization. This ESMP will be designed at the full proposal stage.

Concerning restrictions in the import of foreign currency into Argentina, there are no such restrictions. There is no restriction either for the potential extraction of proceeds outside the country.

Regarding applicable taxation for GCF proceeds, below a consideration is made for potential applicable taxes:

**National Taxes:**

- Income tax: UCAR, as a public body, is exempt to pay this tax.
- Value Added Tax (IVA): UCAR qualifies as exempt. UCAR pays for this tax as it is included in the price of the goods and services contracted by UCAR.
- Taxes on bank debts and credits: UCAR is exempt from paying this tax.

**Provincial Taxes:**

- Gross income: UCAR is exempt from paying Gross Income to the Government of Buenos Aires Autonomous City where UCAR's headquarters is found.

GCF funds will benefit from all tax exemptions granted to UCAR. These tax exemptions apply to both external/international and domestic source funds.

## C.7. Institutional / Implementation Arrangements

*Please describe in detail the governance structure of the project/programme, including but not limited to the organization structure, roles and responsibilities of the project/programme management unit, steering committee, executing entities and so on, as well as the flow of funds structure. Also describe which of these structures are already in place and which are still pending. For the pending ones, please specify the requirements to establish them.*

The agreement between UCAR and the GCF is a Grant, for which UCAR will hold functions as Implementing and Accredited Entity. A description of the oversight and execution functions is provided in this section.

The proposed arrangements comply with the requirements set by the EDA pilot phase ToR since:

- UCAR is a National Accredited Entity for the GCF.
- UCAR is a public institution that works with various types of local actors, especially those addressing the needs of vulnerable communities and gender aspects.
- UCAR is able to provide grants, according to its type of accreditation.
- The EDA is to enhance country ownership of projects and programmes by devolving decision making at country level, thereby allowing greater involvement and input from impacted stakeholders.
- EDA is designed to provide an opportunity for accredited entities and countries to move beyond the financing of individual, bankable projects towards a more comprehensive, stakeholder driven programmatic approach: based on this argument, this Programme was designed with a programmatic scheme and has based the decision of climate change-related territorial actions to local stakeholders in participative processes.

- Based on transparent criteria that are aligned with the Fund's investment criteria and results management framework: UCAR will execute and supervise the project with the highest management standards as demonstrated in its accreditation; furthermore, investment criteria have been successfully assessed; and a results management framework has been designed specifically following the GCF guidelines in this regard and taking into account the spirit of the EDA pilot.

- This Programme responds to the aim of this pilot phase to draw lessons learned with regard to promoting the paradigm shift towards low-emission and climate-resilient development pathways: this Programme proposes activities related both to adaptation and mitigation, with stakeholders that have not had this approach before, and in articulation with rural development programmes that had not included this approach in their design. Activities focused on monitoring, evaluation and lessons learned from this process have been included in this Programme (please refer to Section C3, description of Component 3 and Section H for M&E activities and Logical Framework that includes performance indicators).

- This Programme has performed a multi-stakeholder engagement during its formulation: smallholders, national and subnational authorities, representatives of Indigenous Peoples, and SMEs among others, have been consulted during the design phase. Please see Annex II Stakeholder Engagement.

- This Programme ensures replication and sustainability, since the technologies to be promoted will be the most appropriate for each type of beneficiary – this will be guaranteed based on the work with national and local experts and on the assessment of the Committees -. Apart from the appropriation condition of the technologies, the establishing of mechanisms of self-managed revolving funds and the micro regions ad-hoc associations will be key to sustainability over time.

- The role of the NDA signaled in the EDA ToRs has been taken into account by proposing its participation with Oversight functions.

- Oversight and steering activities have included a provision of regular strategic guidance; review of reporting by the accredited entity; and regular communication with relevant stakeholders and the Fund. Field visits can also be organized.

- A gender-sensitive approach in developing the activities of the pilots has been applied. Please refer to Annex III – Gender Assessment and Gender Action Plan.

## **Institutional arrangements**

### **✓ UCAR as Accredited Entity**

UCAR will be responsible for ensuring that the objectives and components of the Programme are delivered, and that resources are allocated and disbursed in an efficient and effective manner. It will have the technical and administrative responsibility for applying GCF inputs in order to reach the expected Outcomes/Outputs as defined in this document. The UCAR will be responsible for the timely delivery of Programme inputs and outputs, and for the coordination of all other responsible parties, including other government agencies, regional and local government authorities. UCAR will carry out the monitoring and evaluation activities as well as the supervision of the territorial actions coordinating, supervising, and supporting the activities of the Technical Implementation Unit (see below). The UCAR will be responsible for ensuring that the Programme produces the results that will be specified in the Funding Proposal to the required standard of quality and within the specified constraints of time and cost. It will ensure:

- GCF proceeds cover incremental costs of adaptation and mitigation
- Appropriate allocation of resources
- Transparency
- Consistency between program's actions and objectives

- Dissemination of the outcomes.

UCAR will be responsible for the administration of the Grant and will carry out such administration with the same degree of care used in the administration of its own funds. The programme funds will be held separately from UCAR funds, establishing an exclusive bank account and managing its accountability in a separate accountability database module. The procurement of goods and services (including consultants' services) for activities financed by the Fund will be carried out in accordance with UCAR's standard practices and procedures, including its procurement and consultants' guidelines.

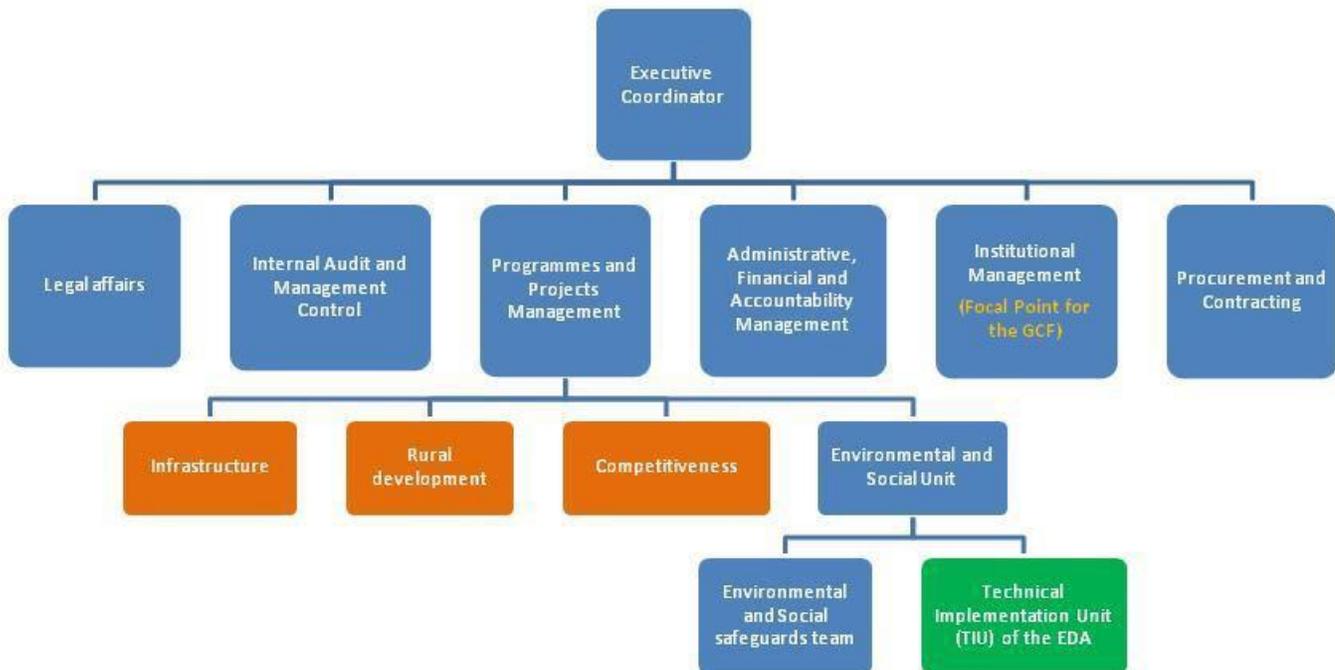
UCAR will be fully accountable for the effective implementation of this program, holding, apart from the above-mentioned obligations, the operative responsibility of the execution of the programme. An operations manual of the Programme will be elaborated as the first step after approval of the EDA Programme, and will include the guidelines for all the oversight, execution and evaluation functions of the Programme.

As Accredited Entity, UCAR will elaborate the reporting related to implementation, such as the Annual Performance report, and will comply with the standard obligations as agreed in the AMA.

The duties and responsibilities as Accredited Entity are:

- ❖ Being the spearhead in the relations with the national authorities;
- ❖ Ensuring that the Programme's components at each execution stage comply with its objectives and goals;
- ❖ Articulation with other Programmes and projects in the territories;
- ❖ Assistance and support for planning and developing execution at the local level;
- ❖ Monitoring and evaluation of the Programme's performance in the provinces/regions involved;
- ❖ The administration and financial control of the Programme's funds at each execution stage;
- ❖ The signing of agreements for execution and procurement;
- ❖ Compliance with GCF directives for procurement and hiring of works and services.

The chart below shows a simplified UCAR's organization chart in which only the main areas that will be involved in the implementation are displayed.



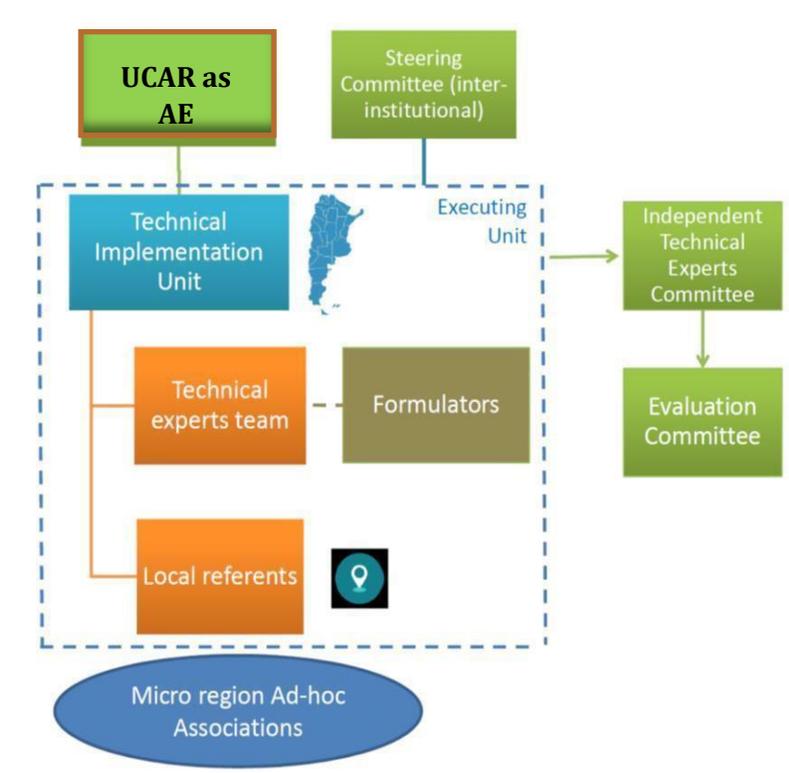
In green: UCAR as Executing Entity: Technical Implementation Unit (please see scheme of the Executing Unit in section below)

In blue: UCAR as Accredited Entity. All the areas in blue will ensure that the GCF funds are managed transparently, that activities are monitored, results are disseminated, environmental and social safeguards are respected. The Focal Point for the GCF is the Head of the Institutional Management Area and will have the oversight function of the Accredited Entity.

In orange: areas that will articulate with the TIU for the execution of the project (Infrastructure Unit will collaborate with the management of Systemic public works; the Rural Development Unit and the Competitiveness Unit will ensure: 1) articulation with the rural development projects that are / will be under execution in the selected micro regions during the lifetime of the EDA project (PISEAR and PROSAP IDB); and 2) support for the participative processes, and for the management of non-reimbursable grants and revolving funds.

The Oversight, Execution and Evaluation functions are summarized in the Chart below and described hereafter.

### Organization chart



### ✓ **Oversight function: Steering Committee**

There will be a **Steering Committee** to provide general guidance to the Programme. This Committee will hold meetings with an annual frequency, and will be composed of designated senior-level representatives from:

- UCAR: Focal point for the GCF on behalf of UCAR as Accredited Entity, and one member from the Environmental and Social Unit who will ensure the respect of the Environmental and Social safeguards, as well as the gender perspective.
- National Designated Authority (Ministry of Finance)
- INTA (Ministry of Agroindustry)
- Climate Change Office (Ministry of Environment and Sustainable Development)
- 1 representative of each micro region
- 1 representative of the Evaluation Committee
- 1 representative of the universities
- 2 representatives of civil society organizations (1 man, 1 woman)
- 1 representative of women's organizations
- 2 representatives of Indigenous Peoples communities (1 man, 1 woman)

Gender balance consideration and inclusivity will be especially considered for the formation of this Committee.

This committee would not be involved in the decision-making process at the sub-project level, but in the strategic decision-making. The main functions of the Steering Committee will be: a) to provide political strategic leadership to the Programme, creating effective coordination among the highest level authorities involved at the national and provincial levels, b) review of reporting by the UCAR, c) perform periodic field visits; and perform regular communication with relevant stakeholders and the GCF.

This will ensure the alignment of the Programme with the government strategies and Programmes underway in the territory ensuring the consistency of the interventions at both jurisdictional levels. In addition, this Committee will ensure transparency with regard to the Programme's intervention processes. Members of the Steering Committee will be designated during the first quarter of the Programme.

According to the EDA Pilot Terms of reference, the NDA is to have a strong role, both in the stage of identification and nomination of an entity to develop the proposal, and in the monitoring and evaluation of the programme in the Fund's relevant guidelines. This is why the NDA is included in the Steering Committee, since it is the most strategic role. The NDA will guarantee that the GCF objectives and proceeds are understood and implemented. According to the ToRs, the NDA is expected to report to the Secretariat on the relevant aspects from their oversight function.

The participation of 1 representative of the Evaluation Committee (see description in subsection "Executing functions" below) in the Steering Committee has been proposed. This would allow bringing the direct opinion of the Evaluation Committee to the Steering Committee meetings; and it would reinforce as well the vision of the Steering Committee to be present in the Evaluation Committee in the day-to-day evaluation of subprojects proposals.

### ✓ **Execution functions: the Execution Unit**

The **Execution Unit** will be in charge of the Programme's technical implementation.

The Execution Unit will be composed of the following units:

- **Technical Implementation Unit (TIU)**: housed at UCAR's central offices, this team will hold interdisciplinary capacities for the day-to-day supervision of the project. This team will be responsible of ensuring that the project produces the results specified in the Project Document to the required standard of quality and within the specified constraints of time and cost. This team will bring support to the **Technical Experts Team** and

the **Local referents** in order to maximize their reach and impact as well as for the delivery of quality products. The TIU will have the support of the UCAR's administrative and accountability areas for the transparent and effective execution of the project.

The duties and responsibilities of the TIU include:

- ❖ The strategic steering of the Programme;
- ❖ The planning and programming of Programme actions;
- ❖ The administration and financial control of the Programme's funds;
- ❖ The coordination and supervision of the physical and financial execution of Programme's components;
- ❖ The representation as counterpart of the Programme in liaison with other national agencies and with the GCF;
- ❖ Compliance with GCF regulations and its recommendations.
- ❖ The supervision, monitoring and follow up of the ad-hoc association's responsibilities.

The TIU will have a Programme coordinator and 3 micro region coordinators based in UCAR's offices; 5 local micro region facilitators based in the micro regions (1 in each micro region); an environmental specialist and a social specialist that will supervise all the environmental and social issues (the social specialist will have specific knowledge on Gender and Indigenous Peoples Issues). These staff will be contracted with GCF funds specifically for the project; besides, UCAR will assign an organizational empowerment specialist, a communication specialist, a financial specialist, and 3 more consultants for general support for implementation. No civil servants' salaries will be covered by GCF proceeds.

On the side of monitoring and evaluation activities, a monitoring specialist will be hired by the project, whilst 1 evaluation specialist from UCAR will be assigned to the programme. All these staff have been included in the Budget (please refer to Annex VI).

• **Technical Experts Team (TET):** The Programme will hire an interdisciplinary team composed of 5 climate change experts in fields such as adaptation to climate change in agriculture, mitigation measures related to best agricultural practices, decentralized renewable energy generation, waste water treatment, bioclimatic construction, and/or the expertise fields that will be required for the design of the projects deriving from the MAPs; plus an expert in the social fields, including Gender and Indigenous Peoples. They will support the processes in the micro regions from a technical point of view, leading the capacity building activities, and accompanying the Local referents and the potential grantees in the subprojects formulation stages. They will advise on the preparation of the necessary studies, strategies and planning instruments along with the Technical Coordination Unit. Besides, the Programme will hire 5 additional climate change experts to provide support in the participatory processes for the MAPs formulation during the first year. They will be focused on climate change training, and will support the orientation of mitigation and adaptation proposals to respond to climate change threats.

These climate change specialists will not be settled in the micro-regions but will work for the five micro-regions and will be available for the micro-regions according to the specific demands and needs that may arise in each case.

The experts will support the processes in the micro regions from a technical point of view, leading the capacity building activities and accompanying the Local referents and the potential grantees in the subprojects formulation stages. They will advise on the preparation of the necessary studies, strategies and planning instruments along with the Technical Coordination Unit.

This TET must ensure that the capacities in terms of Adaptation and Mitigation to climate change are installed in the territory facilitators and the different actors of the Programme. They will also interact with the evaluation committees for effective feedback on climate change impacts and solutions, and will guide and support the formulators on the different projects formulation.

- **Formulators:** agreements will be signed with other public institutions which are present in the micro regions, e.g. National Institution of Agriculture Technology or the Under-secretary of Family Agriculture<sup>11</sup>, in order to obtain support for the formulation and implementation of the projects. These agreements are exclusively focused on technical cooperation, and thus these institutions will not manage or transfer funds: only expenses derived from their technical work such as travel expenses, materials for training sessions and similar will be covered by the project. These technical staff will participate from the beginning from the capacity building activities that will be carried out during the course of Component 1, in order to be prepared to support the smallholders. The formulators will work with the smallholders and organizations of smallholders in the formulation and implementation of the projects to be financed by the Programme. The number of formulators available to the Programme will depend on the number of projects to be formulated. On the side of the systemic public works, some projects are expected to fall under the capacities of UCAR's Formulation Area which will be appointed to the task; some other projects that are not within the expertise of this UCAR's Area will be in charge of an external formulation service.

- **Local referents:** One referent per micro-region will be appointed. These 5 local referents will lead the Programme's interventions in the field and will report to the TIU. For this function, the Programme will hire professionals who are strongly linked to the territory, allowing organizing actions by engaging the key stakeholders, maintaining a fluid communication with municipal authorities and agencies, as well as with public and civil society organizations, and finally with the Micro-region Ad-hoc Associations that will be established during the progress of Component 1 and that will be the player that will promote the sustainability of the results of the programme. They will constitute essential stakeholders for managing perceptions of the outcomes at the local level and ensuring local cooperation. They will be the focal points for the organization of project activities.

- **Micro-region local part-time consultants for technical and administrative support:** One consultant per micro-region will be appointed. These 5 local part-time consultants will provide technical and administrative support to local referents and formulators. They will report to the TIU. For this function, the Programme will hire local professionals who will be in charge of supporting beneficiaries in the fiduciary accountability and physical monitoring and evaluation reports. They will maintain fluid communication with key stakeholders, municipal authorities and agencies, ad-hoc associations and local referents and TIU.

- **Micro-region part-time environmental and social specialists:** One consultant per micro-region will be appointed. These 5 local part-time consultants will give support in the formulation of the MAPs in relation to environmental and social safeguards and will give support in project's formulation in this field as well. They will also supervise and monitor the correct implementation of social and environmental safeguards. They will report to the TIU, specifically to the environmental specialist based in UCAR, and will keep fluid communication with the local referent and beneficiaries.

- **Micro-region Ad-hoc Associations:** the institutionalization of the micro regions is required in order to optimize the implementation of the projects, by the appropriation of the actions of the projects by the local stakeholders, which will promote sustainability of the results and the transfer of knowledge on adaptation and mitigation actions. To this end, two possible organizational schemes are envisaged according to the institutional features of the territory: a) the creation of an institutional space within the framework of an existing entity that has actively participated in the MAP development process; or b) the creation of a new institutional framework, constituted in the form of an "Ad Hoc Association" that will work in articulation with the corresponding Local referent.

In both cases, the ad-hoc association should house members representing the public, scientific-technological and private sectors, linked to the micro-region. This institution will be responsible for ensuring the implementation of the MAP and for keeping the processes of analysis and decision-making alive during the Programme timeline and extend the sustainability of the results once it is ended.

The micro- region Representative Body is responsible for the link with UCAR and, within such framework, it leads the MAP strategy's implementation. It has a strategic definition tier (Board) and a management tier (Technical and

<sup>11</sup> As it has already been addressed, the extension teams of the National Institution of Agriculture Technology and the Under-secretary of Family Agriculture cover the entire national territory and have strong territory presence.

Coordinator Team).

An agreement will be signed between UCAR and the Ad-hoc association. In such contract, it is established that in a maximum term of one year the Association must be an independent legal entity. For details on the agreement please refer to Aneex I – Model Contracts.

The tasks developed by the Ad-Hoc Association may include, but are not limited to, the following:

- Political-institutional representation of the micro-region, supported by three pillars: private productive sector (producer's organizations and associations, etc.), the scientific-technological and educational sector (National Institute of Agricultural Technology, INTA; National Secretariat of Family Farming; National Institute of Industrial Technology; Universities and Schools, among other entities at a national, regional and provincial level), and governmental-public sector (municipalities and provincial offices associated with agricultural activity).
- Participation in the MAP definition and leading of MAP's implementation.
- Compliance with statutes, rules and provisions related to UCAR's regulations and their own.
- Ratification of the reports on achieved results within the micro-region and the MAP's implementation.
- Control of the technical quality of developed activities and results obtained within the micro-region through the MAP implementation.
- Ensure a proper use of resources for the management and implementation of actions within the MAP in the micro-region.
- Monitor the performance of the annual planning established for the MAP implementation.
- Formalize the association with other organizations for the purpose of the implementation of expected actions within the MAP.
- Replace its members in the event of a resignation, cease or death by their legal substitutes.
- Regularly hold and participate in the public dissemination meetings of developed actions planned within Component 1.
- Implement the Grievance Redress Mechanism, and appoint a referent and set the space for receiving complaints, concerns and queries made by the population in relation to the execution of the projects. For further details on the GRM please refer to section F.3. Environmental, Social Assessment, including Gender Considerations.

The Programme will strengthen the inter-institutional environment of strategic definition, represented by the Board of the Ad-Hoc Association. The ad-hoc association will provide an arena of analysis and joint decision-making, with high levels of participation and consensus among local stakeholders, fostering process of adaptive and mitigation actions from a territorial approach, thus achieving a greatest efficiency in the use of public and private resources. This institution will be responsible for keeping the sustainability of the results once the Programme is ended.

It is important to highlight that the ad-hoc associations does not necessarily imply financial needs for their functioning, since they will be constituted by members of the public, scientific-technological and private sectors who will participate on a voluntary basis. The ad-hoc association will constitute the opportunity to congregate these multiple-stakeholders representing the micro-region in order to define the best adjusted micro-regions' climate change strategy and lines of action in a participatory manner. Within the Programme, these stakeholders will be trained and their capacities will be strengthened, and if they decide to, they will be settled as a key representation space for the micro-region. The ad-hoc association, if constituted as a legal entity once the Programme comes to an end, will be able to access new sources of financing, and, within UCAR they will be taken into account as local key actors for the implementation of new Programmes.

✓ **Evaluation functions: Evaluation Committees**

Two Evaluation Committees will be formed for analyzing and approving the investment proposals deriving from the MAPs and projects, during the course of Component 1 and Component 2 activities. They will be involved in the last steps of the subprojects approval as described in the figure below. The selection of members to these committees will be subject to UCAR's approval as the AE; the guidelines of their work

will be described in the Programme's Operations Manual.

- **Independent Technical Experts Committee:** This team will be composed of 6 Experts: 5 that will be identified within the sphere of the Ministry of Agroindustry and related organisms that hold significant expertise in relevant fields such as water, agriculture/forestry, energy, waste management and climate change as well; and 1 Social Expert that will hold significant expertise in Gender and Indigenous Peoples issues. These experts will not be related to the formulation stage, in order to guarantee an independent opinion on the subprojects. This committee will review the subprojects proposals and will issue a technical recommendation to be considered by the Evaluation Committee.

- **Evaluation Committee:** This Committee will be composed of 5 members, that will include: i) representatives of national institutions; ii) representatives of the Programme; iii) representatives of the Accredited Entity that will ensure that decisions will be compliant and consistent with the Programme's and GCF requirements; and iv) representatives of the organized civil society (private sector, NGOs, universities, women's associations) from the micro regions in order to guarantee a participatory decision-making process. A sit will be reserved for one or more Technical Experts depending on the nature of the proposals received with proven experience in climate change. These Committees will hold meetings with a frequency that will vary depending on the path related to each stage: evaluation of projects will depend on the duration of i.e. the feasibility studies; time of formulation of investment proposals under Component 2 will likely be more predictable and thus a monthly frequency meeting will be established.

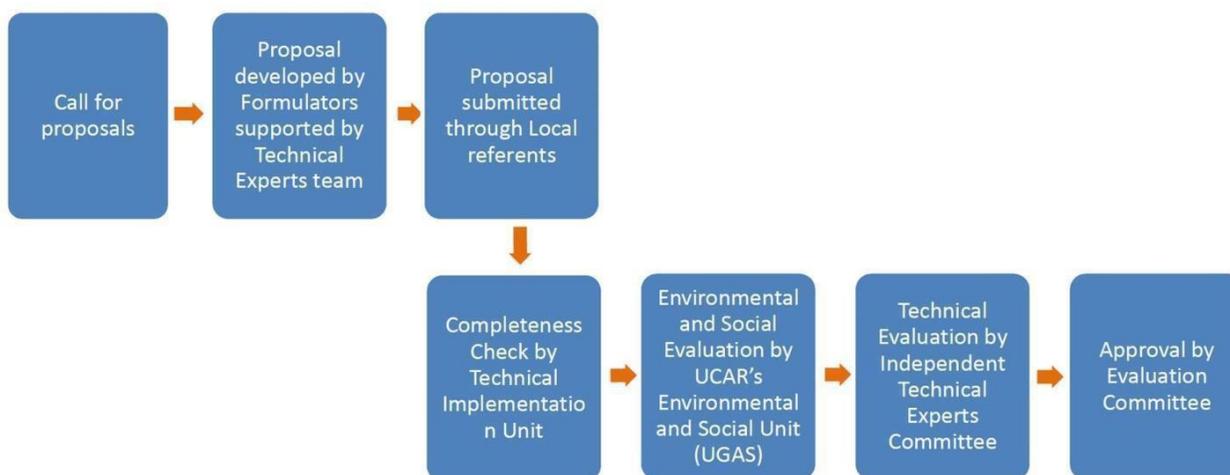
The main role of this Committee will be to approve or deny and make recommendations to the initiatives submitted to be financed and technically assisted by the Programme.

Upon evaluation by the Committee of projects involving Indigenous Peoples, a representative of the Indigenous Participation Council of the National Institute of Indigenous Matters will be invited, or in their stead, a representative of provincial authority will attend.

The figure below aims to represent the basic steps that every proposal shall follow.

A scheme of submission and approval of subprojects for component 2 is presented below.

### ***Submission and approval scheme of Sub-projects***



The general scheme for the approval of proposals starts with a Call for proposals. The proposals are developed by the Formulators supported by the Technical Experts team, and once they are ready, they submit them to the TIU through the Local referents. There will be a voluntary instance of submitting a project idea in order to have a first orientation from the TIU. The TIU will perform a first completeness check in order to ensure that all the formal

and legal documents are compliant; the proposal goes then to the consideration of the UCAR's Environmental and Social Unit that will assess the environmental and social impacts and mitigation actions (for more details please refer to ESMF in ANNEX IV). If these assessments are positive, the proposal is sent to the Independent Technical Experts Committee that will issue an opinion and a recommendation for the evaluation of the Approval Committee. Upon the positive opinion, contracts will be signed with the grantees (please refer to ANNEX I for model contracts for the different types of grants).

The Committee will consider the Programme's strategic guidelines, building on the analysis of the proposals submitted and the relevant technical opinion.

The main aspects that the Committee shall consider in the evaluation and decision of approval or denial of proposals are:

- ❖ The contribution of the proposal to the achievement of the Programme's objectives and to the objectives of the Green Climate Fund, consistency with GCF's investment criteria.
- ❖ The consistency of the proposal with regards to GCF proceeds to cover incremental costs of adaptation and mitigation, ensuring that if there are non-climate related investments, they will be covered exclusively by the co-financing part.
- ❖ The consistency among the proposal's objectives, the Programme's strategic guidelines, and the Fund's result management framework.
- ❖ The consistency between the investment, technical support and/or training proposals with the diagnosis posed, as well as the consistency between the diagnosis and the comprehensive approach to the issues posed
- ❖ The level of impact expected and the degree of ownership of the benefits on the part of the communities
- ❖ Grantees' implementing capacity, the duration of sub-projects to align with the projects' implementing period.
- ❖ Empowerment and autonomy of men and women in relation to participation, decision making, access and control of resources, technological tools and training.
- ❖ Project's viability and sustainability overtime.
- ❖ Its contribution to the inclusion of women, young population and indigenous peoples.

### **Flow of funds**<sup>12</sup>

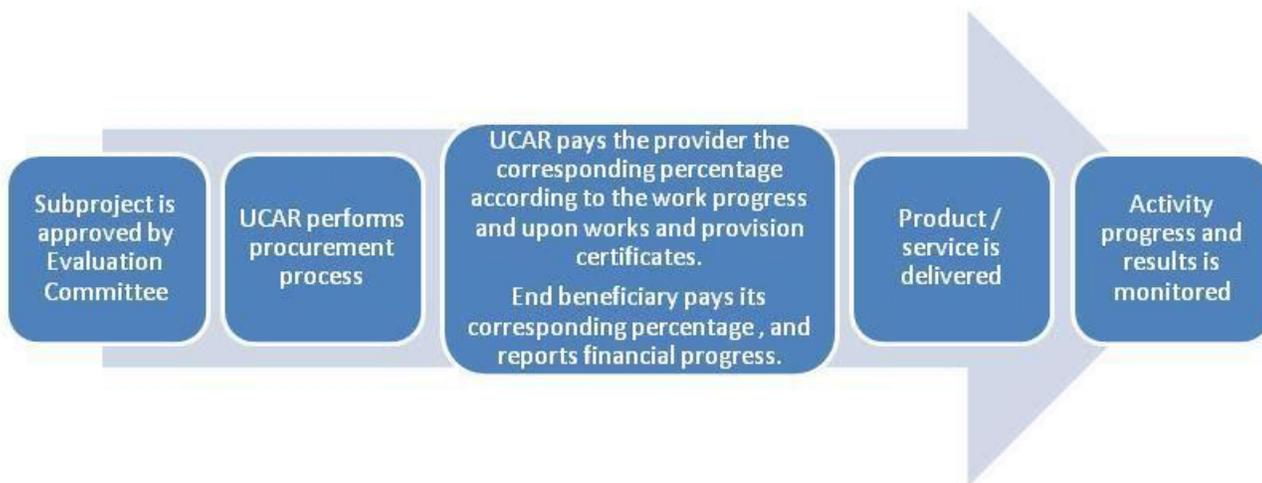
With regards to the flow of the funds flow charts showing how funds will flow for the activities where grants will be given to end beneficiaries and for the revolving funds are presented below.

It is important to highlight that the contracting party (grant provider) for all types of grants will be UCAR. Every grant will have a contract signed and the scheme of disbursements is agreed in each subproject in a case by case modality: they are defined at the stage of the subproject proposal that will be reviewed by the Committees. For agreements / contracts with these and other parties, please refer to Annex I, Contract models.

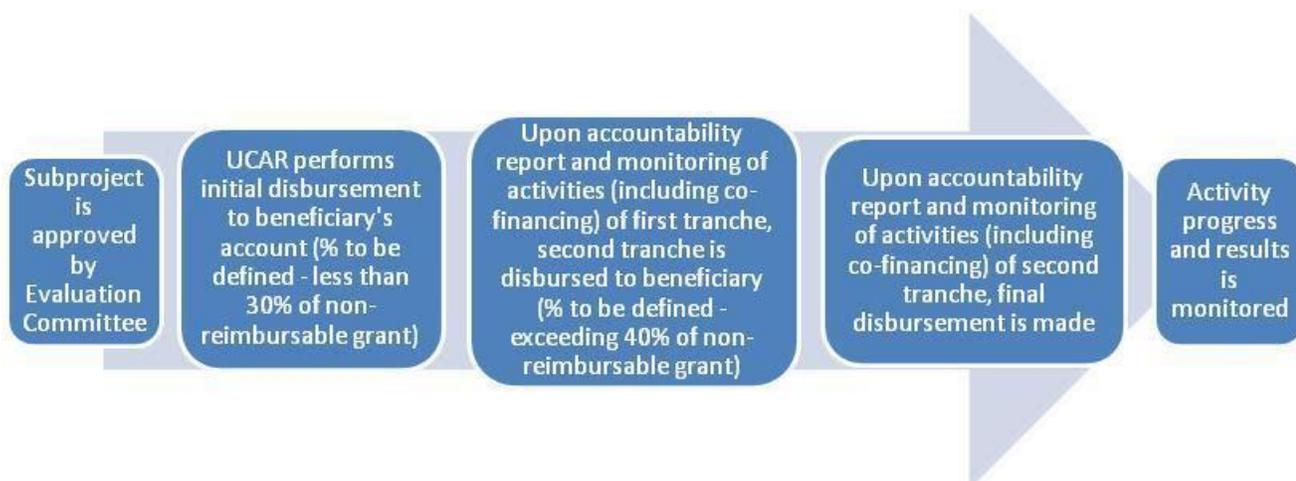
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<sup>12</sup> The term "Subproject" in the diagrams has the same meaning as "Sub-projects".

### 1. Output 2.1: Funds flow chart of grants to end beneficiaries (Local Governments)



### 2. Output 2.2: Funds flow chart of grants to end beneficiaries (Grantees)

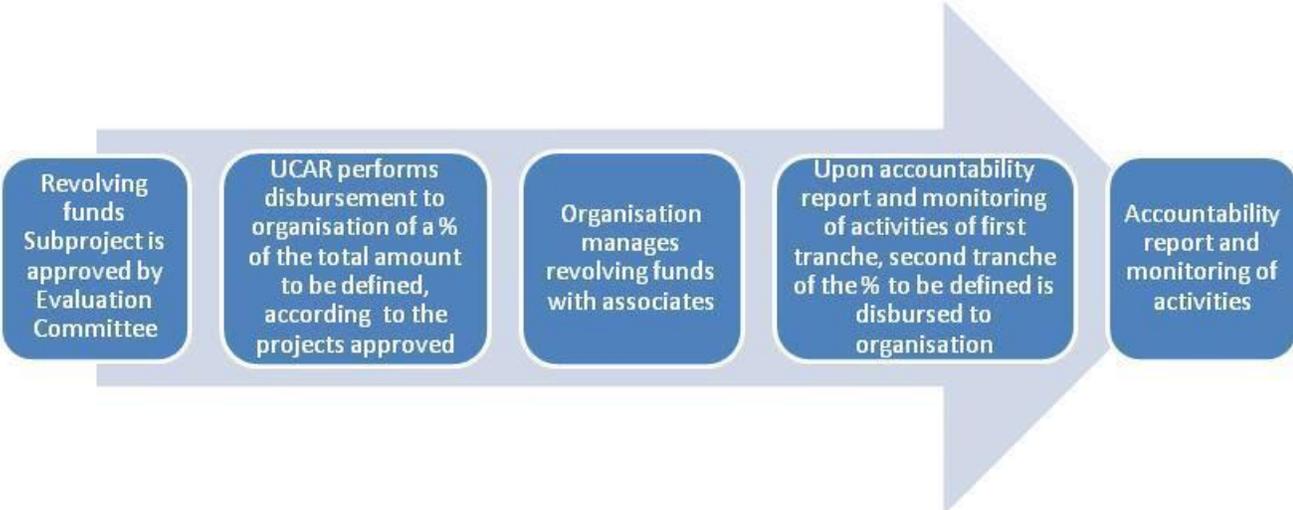


The previous flow chart shows a possible disbursement scheme. However, it is important to highlight that the scheme of disbursements will be agreed in each subproject in a case by case modality. So, a subproject can imply two or more disbursements, depending on the specific project proposal.

Besides, subprojects that foresee the purchase of equipment may choose to make the payment directly to the supplier. In these cases, UCAR will pay the corresponding amount to the supplier upon accountability report of beneficiary's payment to the supplier.



**3. Output 2.2: Funds flow chart of revolving funds**



For further details on Procurement procedures, please refer to Annex X – Procurement Plan.

## **C.8. Timetable of Project/Programme Implementation**

*Please provide a project/programme implementation timetable in [section I \(Annexes\)](#). The table below is for illustrative purposes. If the table format below is used, please refer to the activities as numbered in Section H. In the case of outputs, please mark when all the required activities will be completed.*

Please refer to Annex V for the timetable.

## D.1. Value Added for GCF Involvement

*Please specify why the GCF involvement is critical for the project/programme, in consideration of other alternatives.*

Climate change is gravely affecting rural areas and agriculture-based livelihoods. Building resilient livelihoods based on low carbon agro-productive activities will aid protect valuable ecosystems as well as provide sustainable jobs.

In this scenario, the objective of the proposed Programme is to promote the low-carbon and resilient development of the North Region of Argentina by promoting the incorporation of adaptation and mitigation measures in territorial planning. The present proposal aims to empower rural communities in micro-regions by making them the key actors in the development of Mitigation and Adaptation Plans and in the selection and definition of projects to guarantee sustainable and resilient natural resource management.

The Programme will address climate change impacts on the most vulnerable communities of Argentina, which are exposed to the most severe climate extreme events of the country. These rural communities are significantly sensitive to these events for a variety of reasons: their livelihoods depend on climate dependant activities such as agriculture and livestock; they have limited resources since the north of the country has the highest rural poverty; the impacts of climate change are aggravating existing land degradation processes and deforestation; there is little knowledge regarding climate change impacts and solutions; the institutions are very weak; there are serious deficits in energy infrastructure and access, both electrical energy and gas provision. Communities have weak property rights and find it difficult to assert dominion over their territories and face climate-change impacts.

Additionally, local stakeholders as well as local institutions that support rural communities, have deficient climate change awareness regarding mitigation and adaptation opportunities. This is a barrier to climate action that the Programme will tackle throughout its implementation by generating capacities and raising awareness on these issues.

Rural communities and local governments have limited resources and capacities to implement climate action. The Programme will allow generating capacities on the benefits associated to climate planning and investment.

The proposed Programme is built on the structure of UCAR's rural development programmes and projects and aims to incorporate adaptation and mitigation initiatives in the development of integral territorial strategies. This approach is innovative and will give place to setting an example that can be replicated in other strategic plans. GCF's support will maximize the potential of rural development initiatives executed by the Ministry of Agroindustry, and will provide a platform for local-level climate change action.

The Programme will enable to generate capacities regarding climate finance at all levels: national government, provincial government, local authorities, national and local institutions that support rural communities, and local producers (family agriculture smallholders with no access to credit). This will allow to replicate the successful experiences.

The Programme will address a current funding gap in the country that needs to be addressed to preserve our natural resources, promote a transformation in the development of the region and improve the livelihood of vulnerable rural communities.

GCF's support is essential to transform micro regions by enhancing the climate resilience of the population in the area of intervention and promoting low-carbon development.

The low adaptive capacity of rural communities in Northern Argentina has been deeply described in this Chapter 1 and 2 of the Feasibility study. Without this Programme, loss of food production derived from the lack of support for the strengthening of ecosystems and production systems' resilience would be significantly greater than the cost of the funding requested. Without Programme intervention, losses due to climate impacts are likely to keep on being dependent on weak governmental emergency responses. These potential losses and increased costs of inaction associated with climate change indicate the need for immediate action.

The aim of the Programme is to subsequently up-scale adaptation measures and mitigation solutions to the rest of the region. In the long term, enhanced micro-region capacities will enable them to effectively respond to climate change impacts and show example of the success of having adopted these practices.

Additionally, Argentina's NDC is composed of conditional and unconditional measures. Conditional measures would generate an emission reduction of 114 Mt CO<sub>2eq</sub>.

The conditionality of these measures depends on the following principal factors: a) international financing; b) support on innovation, development and transfer of technologies; c) support to the capacity building to disseminate good practices and effectively implement the proposed measures.

In this regard, the present funding request to the GCF would contribute significantly to support and potentiate Argentina's efforts to implement conditional measures. Furthermore, the present proposal would contribute to reinforce UCAR's role, generate local experience, and strengthen Argentina's only national accredited entity for future direct access to GCF.

## D.2. Exit Strategy

*Please explain how the project/programme sustainability will be ensured in the long run, after the project/programme is implemented with support from the GCF and other sources, taking into consideration the long-term financial viability demonstrated in [E.6.3](#). This should include a description of strategies for longer term maintenance of physical assets (if applicable).*

Strengthening the sustainability is a goal sought from the project formulation process, but especially during the implementation.

The sustainability possibilities of the projects will depend on a framework that considers (i) the structural constraints and the physical, institutional, human - pre - existing assets in the territories; (ii) the willingness and practices of subjects and their organizations to overcome identified constraints, and (iii) the opportunities that the public policy framework generates or potentiates.

The proposed Programme expects to ensure the sustainability of its actions in (ii) and (iii) by:

- **Strengthening of Local Ownership:** in line with the objectives of the GCF EDA modality, rural communities will be enabled through this Programme to directly access climate finance. The proposed approach of self-determined local adaptation and mitigation strategies and actions to be financed by grants will respond directly to local needs, vulnerabilities and opportunities.
- **Empowerment of local actors:** participation processes will ensure the effective ownership of projects and the empowerment of the community. Mitigation and Adaptation Plans (Component 1) will be carried out with a participatory methodology for collective diagnosis and participatory project selection through which stakeholders in the micro-region will make investment decisions. The territorial planning process that defines the MAPs aims to empower the private sector to exercise social control over the works (speed of implementation, maintenance needs) and to participate in the definition of future interventions in the mid / long term.
- **Promotion of associativism:** the programme will promote associative work in order to mitigate environmental, social and economic risks and to allow projects to prevail over time, through training for organizations, public works investments that strengthen the entire community and non-refundable grants for organizations and groups of producers.
- **Generation of specialized technical capacities:** local and national technical capacities will be strengthened on Climate Change issues, so that the participating institutions reinforce their existing activities and develop new ones. Technical assistance is essential to develop local understanding of the relationship between climate change and rural areas and to create greater local awareness of climate change and the appropriation of the response to climate change.
- **Permanent territorial presence of partners:** The Programme will work and strengthen capacities of national and local institutions with permanent territorial presence in the selected micro-regions. This will contribute to sustain the actions promoted by the Programme.

- **Commitment to continue:** the Programme will establish agreements with the participating institutions and beneficiaries to ensure they provide the necessary maintenance of the investments executed during the life cycle of the programme so that the projects are sustainable beyond the period of direct financial support. Likewise, regulations will be established for the use of community investments, which may stipulate their operation and the necessary contributions to maintain the works.
- **Operation and Maintenance Plans:** Projects will be requested to contain an Operation and Maintenance Plan in order to ensure the sustainability of investments made. The Programme will strongly work on strengthening and training beneficiaries through Component 1 in relation to the possible adaptive and mitigation actions, and technical assistance will be provided during the implementation of the Programme in order to train beneficiaries in the correct uses and maintenance of the different investments made. The Programme will monitor the projects execution and implementation during Programme's lifespan. Once the Programme is completed, it is expected to count with strengthened institutional mechanisms, both from ad-hoc association and from local territory institutions such as INTA (National institute of agricultural technology) and Under-secretary of Family Agriculture, in order to maintain assistance to beneficiaries over time.
- **Self-managed Revolving Funds for organizations and associations of smallholders:** The use of successful revolving funds will contribute to the sustainability of the projects, will help the organization to strengthen their administrative capacities and therefore will empower the community.
- **Knowledge management:** the Programme constitutes a pilot of local direct access to climate finance, and will generate useful lessons to share with other individuals, projects and institutions, at sub-national, national and international levels.
- **Replication potential:** UCAR's institutional capacity to implement this new kind of climate finance will be installed and will allow UCAR to replicate this experience.
- **Avoiding rural-urban migration:** the adaptive actions of male and female agricultural producers in their production systems guarantee the permanence of families in the rural environment and avoid their migration to the poverty belts of urban centers.
- **Financial Sustainability:** Will be guaranteed through:
  - The operation and maintenance plans which will be required for all investments made.
  - Direct articulation with rural development programs in UCAR which will incorporate the climate change approach in addition to the knowledge of technologies, infrastructure and practices for mitigation and adaptation. In this basis, it is expected that those rural development programs continue implementing climate change approach.
  - The revolving funds which will be installed within the Programme will contribute to the sustainability of the projects.
  - It is expected that new Programme's in UCAR continue to consider climate change mitigation and adaptation actions.

Please refer to Chapter 3, Section 3.10 of the feasibility study for more information on the Sustainability Strategy,

This strategy pursues the following objectives:

- To ensure the appropriate engagement of the key institutional actors at each stage of the programme
- To ensure the alignment of the Programme with the national strategies
- To keep government authorities aware of the Programme activities, through the systematization, analysis and logging of results and impacts of the Programme to promote the adoption of evidence-based policies.

To promote the institutionalization of certain practices at a government level and generation of agreements that would allow actions to become sustainable.

In this section, the accredited entity is expected to provide a brief description of the expected performance of the proposed project/programme against each of the Fund's six investment criteria. Activity-specific sub-criteria and indicative assessment factors, which can be found in the Fund's [Investment Framework](#), should be addressed where relevant and applicable. This section should tie into any request for concessionality made in [section B.2](#).

## E.1. Impact Potential

Potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas

### E.1.1. Mitigation / adaptation impact potential

*Specify the mitigation and/or adaptation impact, taking into account the relevant and applicable sub-criteria and assessment factors in the Fund's [investment framework](#).*

*When applicable, specify the degree to which the project/programme avoids lock-in of long-lived, high emission or climate-vulnerable infrastructure.*

The Programme is expected to benefit about 5,750 families (that is to say 28,750 beneficiaries), distributed as follows:

- a. 4,000 families (20,000 beneficiaries) living in rural areas who benefit from public works systemic projects;
- b. 1,750 families (8,750 beneficiaries) of small-scale family producers and rural workers participating in individual or associative projects.

Considering that the area prioritized by the Programme is seriously affected by insufficient access to water, it can be assumed that most of the micro-regions will prioritize projects of access to safe water. At least 2,375 families are expected to improve their access to water, with special impact on women. In isolated areas of Argentina's North, many women spend 4-5 hours a day in carrying and handling water, which equals to 2 months a year devoted to such chores.

As to access to water, the Great North region prioritized by the Programme is significantly affected by insufficient access to water. The provinces of the NOA and NEA regions add up a total of 142,038 and 219,821 households without water supply network, respectively, which represent 10.5% and 22% of all households of NOA and NEA regions, respectively (INDEC 2010 National Census). These numbers rise up to 291,783 and 289,869 households, respectively, if we consider the number of households that have no water supply inside the household, representing 23.4% and 29% of total households in NOA and NEA regions, respectively.

Therefore, the related activities will help substantially improve the life quality of the families, improve their schooling levels and health, improve their food security at a household level, and to extend the self-sufficiency period of the resource in dry spells. An interesting precedent is the case of the project under the Adaptation Fund implemented by UCAR in NEA<sup>13</sup>, where the construction of water storage tanks has proven that families could gain 5 months of water reservoir during the dry season.

Regarding emission reduction, based on the assumption that the MAPs should set aside 25% for the financing of initiatives for greenhouse gas mitigation, mainly by means of access to and generation of renewable energy and forestation measures, it is possible to estimate that 27,106 t CO<sub>2</sub>e/year could be spared. This estimation arises from the assumption that the micro-regions will devote approximately 25% of their funds to mitigation measures related to the generation of renewable energy (78%) and forestation with native species (22%), considering rather conservatively the prices of solar energy, the most expensive of renewable energies currently in Argentina. Based on such assumption, the Programme would provide renewable energy to about 2,740 families (13,700 individuals) and to plant approximately 1,222 hectares with native species. However, further reductions are expected to be attained, since other initiatives that have not

<sup>13</sup> Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agricultural Producers of the Northeast of Argentina: <https://www.adaptation-fund.org/project/enhancing-the-adaptive-capacity-and-increasing-resilience-of-small-scale-agriculture-producers-of-the-northeast-of-argentina/>

been taken into account in this estimation, such as bioclimatic construction or agroecology practices can significantly contribute to climate change mitigation.

Given the fact that the activities to be financed will be defined during the implementation of the Programme (according to the EDA's terms of reference the sub-projects are not meant to be established in the design of the present proposal), the Programme's mitigation impact will be updated and informed to the GCF Secretariat in the APRs (Annual Programme's Reports).

**E.1.2. Key impact potential indicator**

*Provide specific numerical values for the indicators below.*

<i>GCF core indicators</i>	<i>Expected tonnes of carbon dioxide equivalent (t CO<sub>2</sub> eq) to be reduced or avoided (Mitigation only)</i>	<i>Annual</i>	<p>End Year 3: <b>27.106 t CO<sub>2</sub> eq/year</b></p> <p>(First 2 years for setting up and emission reductions only at the end of year 3).</p>
		<i>Lifetime</i>	<p>End Year 5: 27.106 t CO<sub>2</sub> eq X 3 = <b>81.317 t CO<sub>2</sub> eq</b></p> <p>End Year 30: 27.106 t CO<sub>2</sub> eq X 27 = <b>731.851t CO<sub>2</sub> eq</b></p> <p>(It is assumed that a Photovoltaic Solar Station has a useful life of 30 years).</p>
	<ul style="list-style-type: none"> <li>• <i>Expected total number of direct and indirect beneficiaries, disaggregated by gender (reduced vulnerability or increased resilience);</i></li> <li>• <i>Number of beneficiaries relative to total population, disaggregated by gender</i></li> </ul>	<i>Total</i>	<p><b>Adaptation Only:</b></p> <p><u>Indirect beneficiaries: 17.575</u>            Female: 8.875 beneficiaries            Male: 8.875 beneficiaries            (Adaptation only)            According to population distribution of 2010 census in each micro-region, 50% are female and 50 % are male.</p> <p><u>Direct beneficiaries: 3.515</u>            Female-headed families: 1.055 beneficiaries            Male: 2.460 beneficiaries            (Adaptation only)            According to historical UCAR rural development projects aimed at small holders, 30% are female-headed families and 70% male.</p> <p><u>Methodology/explanation on the calculation used for estimating adaptation beneficiaries:</u></p> <p><b>Component 2.1:</b> it is assumed a distribution of funds with 3 systemic public works (prioritized for adaptation purposes on access to safe water) and 2 systemic public works on infrastructure for natural disaster prevention. According to</p>

	<p><i>(adaptation only)</i></p>		<p>UCAR implementation of minor public works, each project benefits in average 500 direct beneficiaries, resulting in a total of <b>2.500 direct beneficiaries (12.500 indirect beneficiaries)</b> for Component 2.1</p> <p><b>Component 2.2:</b> To determine the overall quantity of beneficiaries we used the average investment per family of rural development projects implemented historically by UCAR (this is approximately of 10.000 USD) and the total investment allocated to access to safe water (5.000.000 USD) and agroecology practices projects (1.000.000 USD).It is assumed a distribution of funds as follows: 25 associative projects (20 families per associative project) of access to safe water and 5 associative projects of agroecology practices. As a result, component 2.2 will have 2.500 indirect beneficiaries and 500 indirect beneficiaries' respectively.</p> <p>Regarding Revolving Funds, it is estimated that half of the funding will be disbursed in year 3. With a maximum of 3.000 USD per family, it is estimated that 83 beneficiaries will be benefited. In year 4 the remaining 50% of the fund is disbursed, so other 83 beneficiaries along with another round of the first 83 already receiving credits will receive the funding. In year 5 it is expected another round of the revolving fund, which will benefit 166 additional families. These sums up to 415 direct beneficiaries (2.075 indirect beneficiaries).</p> <p>Therefore, <b>5.075 total indirect beneficiaries (1.015 direct beneficiaries)</b> for component 2.2.</p> <p>Total Direct Beneficiaries Component 2.1 + Component 2.2 = <b>2.500 direct beneficiaries + 1.015 direct beneficiaries = 3.515 direct beneficiaries.</b></p> <p>Total Indirect Beneficiaries Component 2.1 + Component 2.2 = <b>3.515 direct beneficiaries * 5 members = 17.575 indirect beneficiaries.</b></p> <p>For the estimation of indirect beneficiaries, it is assumed that in average, there are 5 members per household, which is the mean for rural households in the NOA region.</p> <p>For more detail information, see the updated version of Annex VII – (“<i>Benef_Costs_ER_v.3.xls</i>”).</p>								
		<p><i>Percentage (%)</i></p>	<p><b>Total Micro-Region population according to the 2010 Census:</b></p> <table border="1" data-bbox="704 1730 1386 1839"> <thead> <tr> <th data-bbox="704 1730 894 1787">Micro-Region</th> <th data-bbox="894 1730 1101 1839">Micro - Region Population (inhab)</th> <th data-bbox="1101 1730 1214 1787">Female</th> <th data-bbox="1214 1730 1386 1787">Male</th> </tr> </thead> <tbody> <tr> <td data-bbox="704 1787 894 1839"></td> <td data-bbox="894 1787 1101 1839"></td> <td data-bbox="1101 1787 1214 1839"></td> <td data-bbox="1214 1787 1386 1839"></td> </tr> </tbody> </table>	Micro-Region	Micro - Region Population (inhab)	Female	Male				
Micro-Region	Micro - Region Population (inhab)	Female	Male								

Yavi	20.806	53%	47%
West of Formosa	42.175	48%	52%
Oriental Chaco	25.052	50%	50%
Los Llanos	37.621	51%	49%
Valles Calchaquies Salteños	36.565	50%	50%
<b>Total</b>	<b>162.219</b>	<b>50%</b>	<b>50%</b>

Sex	Total Micro Region Inhabitants	Indirect Beneficiaries	Indirect Beneficiaries as a % of total inhabitants in the selected Micro Region
Male	81.110	8.788	11%
Female	81.110	8.788	11%
<b>Total</b>	<b>162.219</b>	<b>17.575</b>	<b>11%</b>

Sex	Total Population of Argentina	Indirect Beneficiaries	Indirect Beneficiaries as a % of total inhabitants in the selected Micro Region
Male	21.364.470	8.788	0,04%
Female	22.225.898	8.788	0,04%
<b>Total</b>	<b>43.590.368</b>	<b>17.575</b>	<b>0,04%</b>

The total indirect beneficiaries: 17.575 represent 11% of the total population of the Micro-Region. According to the data of 2010 census, 50% of the population is in average female and 50 % male. Regarding the total population of the country, the indirect beneficiaries represent 0.04%.

Sex	Total household in the selected Micro Regions	Direct Beneficiaries	Direct Beneficiaries as a % of total households in the selected Micro Region
Male	27.578	2.460	8,92%
Female	14.118	1.055	7,47%
<b>Total</b>	<b>41.696</b>	<b>3.515</b>	<b>8,43%</b>

Sex	Total household in the selected Micro Regions	Direct Beneficiaries	Direct Beneficiaries as a % of total households in Argentina
Male	9.568.548	2.460	0,03%
Female	4.961.575	1.055	0,02%
<b>Total</b>	<b>14.530.123</b>	<b>3.515</b>	<b>0,02%</b>

(\*) Estimations for 2016 based in the average persons per household of INDEC Census 2010

Methodology/explanation on the calculation used:

According to the tables above 0,02% of Argentina's population are direct beneficiaries of adaptation measures from the proposed program.

Concerning the total households in the selected Micro Regions, the direct beneficiaries represent 8, 43%. For gender distribution in direct beneficiaries (families), 30% are females headed families and 70% male headed families. This percentage corresponds to the historical distribution of male and female-headed households in the implementation of UCAR rural development programs.

Other relevant indicators	<p><i>Examples include:</i></p> <ul style="list-style-type: none"> <li>• Expected increase in the number of households with access to low-emission energy</li> <li>• Expected increase in the number of small, medium and large low-emission power suppliers, and installed effective capacity</li> <li>• Expected increase in generation and use of climate information in decision-making</li> <li>• Expected strengthening of adaptive capacity and reduced exposure to climate risks</li> <li>• Others</li> </ul>
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*Describe the detailed methodology used for calculating the indicators above.*

*Describe how the project/programme's indicator values compare to the appropriate benchmarks (i.e. the indicator values for a similar project/programme in a comparable context).*

Considering the spirit of the EDA Programme, that establishes a grant facility for adaptation and mitigation projects, and the fact that these projects will be defined during the implementation of the Programme, the following assumptions were made to estimate the potential greenhouse gas emission reduction associated to the EDA Programme.

Assumptions and methodology:

- Project examples were elaborated for the different grant facility windows, these examples include potential scale, cost, beneficiaries and emission reduction in the case of mitigation projects. Please refer to the feasibility study, in Chapter 3, Section 3.7.

- The logical framework was established: an assumption of amount and type of projects for each facility window was defined taking into account: the funding amounts for each facility window, the project criteria and requirements, and the micro-regional adaptation needs and mitigation potential.
- The greenhouse gas emission reduction for the Programme was calculated implementing the following methodologies:

1. For estimation of GHG Emissions Reduction on **renewable energy projects**, the calculation method used has been developed using CDM (Clean Development Mechanism) approved methodologies from UN Framework Convention on Climate Change.

The calculation method proposed in this Funding Proposal used AMS I.I “Grid connected renewable electricity generation” and ACM0002 “*Grid-connected electricity generation from renewable sources*” as framework.

For detailed information regarding the estimation methodology please refer to the excel sheet in “Annex VIII\_Example of Project” of EDA.

The simplified resulting calculation method for renewable energy projects is presented below:

$$ER_y = BE_y - PE_y$$

$$ER_y = BE_y - PE_y - LE_y$$

Where:

$ER_y$  = Emission reductions in year y (t CO<sub>2</sub>e)

$BE_y$  = Baseline Emissions in year y (t CO<sub>2</sub>e)

$PE_y$  = Project emissions in year y (t CO<sub>2</sub>e)

$LE_y$  = Leakage emissions in year y (t CO<sub>2</sub>e)

Project Emissions: For most renewable energy project activities,  $PE_y = 0$ . CO<sub>2</sub> emissions from on-site consumption of fossil fuels due to the renewable project, shall be calculated using the latest version of the “*Tool to calculate project or leakage CO<sub>2</sub> emissions from fossil fuel combustion*” from UN Framework Convention on Climate Change or gathered from Public Country Publication as a default value. In case biomass is sourced from dedicated plantations, the procedures in the tool “*Project emissions from cultivation of biomass*” also from UN Framework shall be used.

Leakage Emissions: For simplification, Leakage emissions in year y (t CO<sub>2e</sub>) is assumed  $LE_y = 0$ .

Baseline Emissions:

$$BE_y = EG_{PJy} * EF_{grid}$$

Where:

$BE_y$  = Baseline Emissions in year y (t CO<sub>2</sub>e)

$EG_{PJy}$  = Quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the renewable project activity in year y (MWh).

$EF_{grid}$  = Combined margin CO<sub>2</sub> emission factor for grid connected power generation in year y calculated using the latest version of the “*Tool to calculate the emission factor for an electricity system*” (in tCO<sub>2e</sub>/MWh) from UN Framework Convention on Climate Change or gathered from Public Country Publication as a default

value.

In the examples proposed,  $EG_{P,Jy}$  referred to the parameter "Energy Saving".

**Component 2.1:** example proposed for a Photovoltaic Solar Station of 0,5MW (1 systemic public work).

$$\text{Energy Saving} = IC \times Hs$$

$$\text{Energy Saving} = 0,5 \text{ MW} * (10 \text{ hs/day}) * (30 \text{ days. month}) = 150 \text{ MWh. month}$$

Nº Beneficiaries:

$$\text{Nº Beneficiaries} = \text{Energy Saving} \times Ce$$

$$\text{Nº Beneficiaries} = (150 \text{ MWh. month}) / (0,3 \text{ MWh. month}) = 500 \text{ Houses}$$

IC= Installed Capacity

Hs= Hours of Irradiation

Ce= Electricity Consumption in average house

Emissions Reduction Calculation for 1 Photovoltaic Solar Station of 0,5MW :

$$ER = \text{Energy Saving} \times EF_{grid}$$

$$ER = (150 \text{ MWh. month}) * (0,511 \frac{\text{tCO}_2\text{e}}{\text{MWh}}) = 76 \frac{\text{tCO}_2\text{e}}{\text{month}}$$

$$ER = 76 \frac{\text{tCO}_2\text{e}}{\text{month}} * 12 \frac{\text{months}}{\text{year}}$$

$$\mathbf{ER = 919 \text{ tCO}_2\text{e/year}}$$

Therefore, 1 Photovoltaic Solar Station of 0,5MW reduce/mitigate 919 tCO<sub>2e</sub>/y.

It has been assumed 2 Photovoltaic Solar Station of 0,5MW, resulting in a total of 1.838 tCO<sub>2e</sub>/y.

$EF_{grid}$ = Electricity Grid Emission Factor from Argentina

**Component 2.2:** example proposed for an Associative Project of 25 families where each family install 1 solar thermal collector and 1 solar bomb.

For 1 Solar Thermal Collector:

$$\text{Energy Saving} = IC \times Hs$$

$$\text{Energy Saving} = (0,005 \text{ MWh/day}) \times (\frac{250 \text{ days}}{\text{year}})$$

$$\text{Energy Saving} = 1,25 \text{ MWh/year}$$

For 25 Solar Thermal Collectors:

$$\text{Total Energy Saving} = 25 \times 1,25 \text{ MWh/year}$$

$$\text{Total Energy Saving} = 31,25 \text{ MWh/year}$$

Emissions Reduction Calculation due to Installation of Thermal Collectors :

$$\text{ER} = \text{Total Energy Saving} \times \text{EF}_{\text{grid}}$$

$$\text{ER} = 15,96 \text{ tCO}_2\text{e/year}$$

For 1 Solar Bomb of 210 W average:

$$\text{Energy Saving} = IC \times Hs \times Ds$$

$$\text{Energy Saving} = 0,210 \text{ KW} \times \left(10 \frac{\text{hours}}{\text{day}}\right) \times \frac{250 \text{ days}}{\text{year}} = 525 \text{ KWh/year}$$

For 25 Solar Bombs:

$$\text{Total Energy Saving} = \frac{525 \text{ KWh}}{\text{year}} \times 25$$

$$\text{Total Energy Saving} = 13.125 \frac{\text{KWh}}{\text{year}}$$

Emission Reduction due to Installation of Solar Bombs:

$$\text{ER} = \text{Total Energy Saving} \times \text{EF}_{\text{grid}}$$

$$\text{ER} = \frac{13,1 \text{ MWh}}{\text{year}} \times \frac{0,511 \text{ tCO}_2\text{e}}{\text{MWh}}$$

$$\text{ER} = 6,7 \text{ tCO}_2\text{e/year}$$

Therefore, 1 associative project as defined above, mitigate/reduce 22, 66 tCO<sub>2</sub>e/y.

It has been envisioned an investment for 70 associative projects approx., resulting in a total of **1.572 tCO<sub>2</sub>e/y**.

2. For the estimation of GHG Emissions Sequestration on **afforestation or reforestation projects**, the calculation method proposed in this Funding Proposal used 2006 IPCC Guidelines for National Greenhouse Gas Inventories Intergovernmental Panel on Climate Change (IPCC), Chapter 4: "Forest Land" as framework.

The simplified resulting calculation method for of C sequestration projects is presented below:

Carbon sequestration is estimated for aboveground biomass following IPCC (2006) standard methods. This estimate equivalent CO<sub>2</sub> as the standardized carbon fraction of biomass in tons per hectare. For carbon sequestration, biomass is converted to carbon using mean annual increment, densities and biomass expansion factor values. Then, carbon is converted to equivalent carbon dioxide by stoichiometry.

Formulae for carbon sequestered in tons per hectare per year is estimated as:

$$C_i = b \times f = MAI \times \delta \times BEF \times f$$

Where:

$C_i$ : sequestered carbon

$MAI$ : mean annual increment (m<sup>3</sup>/ha/year)

$b$ : biomass (tons/ha)

$f$ : carbon fraction (unit-less)

$\rho$ : wood density (tons/m<sup>3</sup>)

$BEF$ : biomass expansion factor (unit-less)

$$ES_{eqCO_2} = C_i \times 3.667$$

Where:

$ES_{eqCO_2}$ : carbon sequestration factor (tons/ha)

**Component 2.1:** example proposed supposing an investment of USD 500.000 and a potential of afforestation project with native species (*Algarrobo - Prosopis sp*) of 322 hectares in Chaco Micro Region.

Carbon stock and sequestration is estimated for aboveground biomass following IPCC (2006) standard methods. Carbon sequestered in tons per hectare per year is estimated as:

$$C_i = MAI \times \delta \times BEF \times f$$

$$C_i = 9,135 \text{ ton/ha/yr}$$

Parameter	Description	Unit	Value	Source
$f$	Carbon fraction	-	0,5	IPCC 2006
$BEF$	Biomass expansion factor	-	5	IPCC 2006
	Wood Density	g/cm <sup>3</sup> ton/m <sup>3</sup>	0,58 0,58	Moglia J. G., González D, Cisneros A. B., Giménez A. M., Pan E. y López Lauenstein, D. 2016. <i>Evaluación de la calidad de madera de Prosopis alba en rodales semilleros.</i>
$MAI$ :	Mean Annual Increments	m <sup>3</sup> /ha/year	6,3	UCAR ( <i>Algarrobo - Prosopis sp</i> ) UCAR

Carbon is converted to equivalent carbon dioxide by stoichiometry in order to obtain the Emission Factor Sequestration of CO<sub>2</sub> equivalent for Algarrobo species in Chaco.

$$EFCO_2e = CI \times 3,667$$

$$EFCO_2e = 33,4 \text{ tCO}_2e/\text{ha/year}$$

Emissions Sequestration:

$$ES = 10.754 \text{ tCO}_2e/\text{year}$$

It has been assumed only 1 Forestry Project, resulting in an emission sequestration of 10.754 tCO<sub>2e</sub>/year.

**Component 2.2:** the example project in oriental Chaco micro-region considers an example of an association of 25 small producers of 10 ha each and the project would cover the afforestation of a total of 250 ha with native Algarrobo. This this would imply a total investment of 387.500 USD and sequestration of 8.350 tCO<sub>2</sub>e/year and improve the overall sustainability of the farms.

The Sequestration Factor for *Algarrobo* species in Chaco has been estimated also in Component 2.1:  
 $ESCO_2e = 33,4 \text{ tCO}_2e/\text{ha}/\text{year}$

Calculation method of emission sequestration for 1 Associative Project:

$$ES = ESCO_2e \times Ha$$

$$ES = 33,4 \frac{\text{tCO}_2e}{\text{year}} * (250\text{ha})$$

$$ES = 8.350 \text{ tCO}_2e/\text{year}$$

It has been assumed 1,5 associative projects according to the allocated investment, i.e, 39 families, resulting in a total of 12.941 tCO<sub>2</sub>/y.

$$\text{Total ER} = 1.838 \text{ tCO}_2e/\text{y} + 1.572 \text{ tCO}_2e/\text{y} + 10.754 \text{ tCO}_2e/\text{year} + 12.941 \text{ tCO}_2/\text{y} = 27.106 \text{ tCO}_2e/\text{y}$$

## E.2. Paradigm Shift Potential

Degree to which the proposed activity can catalyze impact beyond a one-off project/programme investment

### E.2.1. Potential for scaling up and replication (Provide a numerical multiple and supporting rationale)

*Describe how the proposed project/programme's expected contributions to global low-carbon and/or climate-resilient development pathways could be scaled-up and replicated including a description of the steps necessary to accomplish it.*

The present proposal has an extraordinary potential for scaling up and replication due to the following factors.

- Flexibility: Working at a micro-region scale is ideal to put into practice the proposed adaptation and mitigation planning methodology since this scale allows for easy scaling up and replication. Even if each micro-region is particular in itself due to its social, environmental and economic characteristics, the methodological tools and instruments that will be developed for the implementation of this Programme can be implemented in any kind of micro region and will even become an asset to be used in future micro-regions once the Programme is finished. The proposed process and associated methodology will empower the country for the development of future Mitigation and Adaptation Plans.
- Community-based planning: the planning instruments will be designed with a bottom-up approach, based on building consensus and sharing a common vision for the future of the territory. This implies efforts of coordination, and commitment from all stakeholders, including provincial and local government, local producers, private sector and indigenous communities. This presents a new approach to planning and if successful, as expected, it will be replicated in other micro regions and provinces.

- Local capacity building: The capacity building regarding climate change awareness for diverse stakeholders such as technical public institutions, municipalities and private sector (smallholders, small-scale farmers, indigenous communities, among others) is a key point of the present Programme. Aligned with the objective of the EDA pilot, the Programme will strengthen Argentina's capacity to include climate change aspects in the design and implementation of development strategies.
- Local ownership: since the proposal is based on community-planning, ownership of the strategy and the prioritized projects is an essential pillar of the Programme. This is very important, since it will allow the sustainability of the inversions and the efforts. The approach is intended to empower and strengthen the community so that it can continue the collaborative work and planning once the Programme is finished. As happened with UCAR's IDeMi Programme, these types of initiatives are successful and other micro regions become interested in adopting the same approach.
- Climate change grants: if these innovative grants prove to be of interest for the private sector, as expected, they could be incorporated in future Programmes and Projects designed and executed by UCAR as well as other governmental agencies. In this sense, it is expected that the EDA pilot will catalyze the mainstreaming of climate finance in other governmental development initiatives.
- Financial Sustainability: Will be guaranteed through:
  - The operation and maintenance plans which will be required for all investments made.
  - Direct articulation with rural development programs in UCAR which will incorporate the climate change approach in addition to the knowledge of technologies, infrastructure and practices for mitigation and adaptation. In this basis, it is expected that those rural development programs continue implementing climate change approach.
  - The revolving funds which will be installed within the Programme will contribute to the sustainability of the projects.
  - It is expected that new Programme's in UCAR continue to consider climate change mitigation and adaptation actions.

The theory of change showed below illustrates how each output contributes to the long-term objective of the Programme and how they are made up of a series of activities responding to the identified barriers. Each activity leads to intermediary outcomes, the longer-term project outcome and ultimately the impact expected from the Programme.

The theory of change highlights the relation between "activities", "outputs" and "outcomes" and also it illustrates the main barriers (financial and institutional) that characterize the Programme, so it is possible to identify the necessary activities to reduce them and to achieve impacts on climate change.

USD 26,827,124

To promote community based adaption and low-carbon development in micro-regions which are vulnerable to Climate change

# PROGRAMME OBJECTIVE

## BARRIERS

Lack of knowledge of technical staff, local authorities, and organizations of smallholders on mitigation and adaptation technologies, gender perspective and organisational skills.

Need of strengthening the participative process and community-based planning for climate change approach.

Limited technical capacity for the development of studies and project formulation for investment proposals on adaptation and mitigation.

Need of strengthening the participation of women on the climate change proposal development.

Lack of resilient and low carbon initiatives and infrastructure.

Lack of acces to credits and financial tools of small holders.

Need of financial support for sustainability of adaptation and mitigation actions.

## ACTIVITIES

1.1.1 Training workshops on adaptation to climate change, mitigation technologies, gender perspective, organizational strengthening.

1.1.2 Learning exchanges on adaptation and mitigation technologies.

1.1.3 Develop and disseminate training and dissemination materials on climate change and grant facility.

1.2.1 Micro-regional meetings for establishing institutional agreements on the participative processes and sharing information on grant facility.

1.2.2 Participative workshops and technical support to micro-regions on access to grants.

1.2.3 Technical support for proposal development and submission.

2.1.1 Systemic projects of public investment.

2.2.1 Grants for Adaptation and mitigation projects for small holders.

2.2.2 Revolving funds for adaptation and mitigation projects for smallholders.

## OUTPUTS

Output 1.1 Local capacity on climate change generated and awareness raised.

Output 1.2 Micro regions with enhanced capacity to lead community-based adaptation and mitigation actions.

Output 2.1 Systemic projects of public investment implemented.

Output 2.2 Adaptation and mitigation projects of organizations of smallholders implemented.

## OUTCOMES

Outcome 1: Capacity building and community-based planning

Raised awareness on the impact of climate change and generated capacity to design and implement local adaptive and mitigation strategies.

Outcome 2: Adaptation and mitigation actions

Provision of direct finance for the development of resilient infrastructure, promotion of sustainable natural resources management, adoption of low carbon and climate resilient agriculture and transformation of generation and access to energy from renewable sources.

# IMPACTS

- 4,000 families (20,000 beneficiaries) living in rural areas who benefit from public works systemic projects;
- 1,750 families (8,750 beneficiaries) of small-scale family producers and rural workers participating in individual or associative projects
- 27,106 t CO2e/year spared

## E.2.2. Potential for knowledge and learning

*Describe how the project/programme contributes to the creation or strengthening of knowledge, collective learning processes, or institutions.*

Aligned with GCF's EDA pilot objective, the proposed Programme aims to draw lessons learned on: i) the development of Mitigation and Adaptation Plans, ii) the implementation of climate finance for low-emission and climate-resilient investments in vulnerable rural areas, iii) the implementation of new technology, best practices and ancestral knowledge, iv) the coordination and multi-stakeholder engagement, v) the implementation of a gender strategy.

Knowledge will be generated through the entire Programme, covering all three components. A substantial portion of Lessons Learned will be based on UCAR's monitoring and evaluation activities, which will include the definition of a methodology to systematize the institutional reporting. To such end, experiences will be studied looking back and looking forward to document the learning process.

The main objective of gaining lessons learned is to identify and systematize information related to successful cases in order to promote, disseminate and replicate best. The objective of monitoring and evaluating activities also aims to identify and analyze the problems raised during the execution of the Programme, as well as identify experiences that did not turn out as intended in order to learn to overcome such problems and to avoid them in the future.

Some of the actions that will be included in the monitoring and evaluation system are:

- ❖ Identification of a set of innovative practices which have been successful in adapting to climate change or in emissions reductions, in each of the micro-regions: the systematization of experiences will document the process of adoption and set-up of the practice, which factors enabled such experiences, and which lessons can be learned and possibly replicated in other experiences.

For the dissemination of this activity among producers and authorities, workshops of introduction and reflection on these experiences are proposed to be held.

- ❖ Evaluations from the beneficiaries' perspective to establish which were the most significant changes and impacts from their point of view: this will be done during participatory workshops halfway through the Programme and upon Programme's end.

- ❖ Creation of a network to exchange experiences and practices among micro-regions: this includes visits and exchange of experiences between government technicians.

- ❖ UCAR shall conduct regular visits to projects in the micro-regions, in order to gain better feedback on the implementation in each case, and know how the different micro-regions are working in the territory.

The dissemination of experiences and exchange of knowledge on adaptation and mitigation measures will foster the replicability potential of this kind of initiatives.

## E.2.3. Contribution to the creation of an enabling environment

*Describe how proposed measures will create conditions that are conducive to effective and sustained participation of private and public sector actors in low-carbon and/or resilient development that go beyond the program.*

The Programme will aid in creating an enabling environment by:

- ❖ Promoting collaboration, articulation and consensus between public, private and civil society agencies across the entire timeframe of the Programme.
- ❖ Facilitating a process that allows all the actors to express their views, expectations and contributions to develop a community-based strategy.
- ❖ Improving the technical capacity and knowledge of the government agencies, community organizations and private sector through the development of the necessary capacities for the definition of mitigation and adaptation strategies in the micro-regions and for the design and prioritization of climate action projects.
- ❖ Providing the necessary finance to empower the micro-region in the execution of actions and projects that will reduce the vulnerability to climate change and promote a low-carbon development.
- ❖ Provide support and assistance to design and implement innovative and ambitious cross-cutting integral projects.

*Describe how the proposal contributes to innovation, market development and transformation. Examples include:*

- *Introducing and demonstrating a new market or a new technology in a country or a region*
- *Using innovative funding scheme such as initial public offerings and/or bond markets for projects/programme*

The successful implementation of this EDA pilot proposal will set the example of innovative climate change action in vulnerable rural areas where climate change usually is disregarded in the territorial planning.

The present proposal innovates in the following aspects:

- Diverse and recipient-specific financial instruments: Component 2 provides diverse financial alternatives for adaptation and mitigation measures, covering needs at all levels in the area of influence of the Programme. This is so, since the Programme contemplates investments for all sectors such as infrastructure, energy, agriculture production, conservation, access to water, among others. Moreover, the Programme includes financial instruments for all levels of recipients that integrate the micro region: i) it addresses public investment through Outcome 2.1 by financing works and services for the general rural population; ii) and it also addresses private investment for smallholders, small-scale farmers and associations and organizations of smallholders and small-scale farmers. This approach is innovative for Argentina since there is no existing Programme or Project in the country that addresses climate change needs in such an integral manner.
- Integral and transversal approach for territorial development: The ultimate goal of the present Programme is to generate a transformational impact in the development of an entire micro-region, and not only implement specific and disperse initiatives. Built on successful experiences: The proposal integrates a wide diversity of mechanisms and instruments that have been proved by UCAR in the implementation of different Programmes and Projects. This EDA pilot builds on UCAR's experience and combines the instruments to generate a unique and transversal approach to climate action that will impulse sustainable and low carbon rural development.

- Adaptation and Mitigation synergies: the proposal's objective is to promote the implementation of measures that generate synergies between adaptation and mitigation, in this way changing the current approach to current climate action in Argentina that tends to treat adaptation and mitigation strategies differentially. UCAR identifies the need to impulse cross-cutting investments and looks to promote these by providing direct access to finance for investments in: i) sustainable low-emission, climate-resilient agriculture, ii) transformed energy generation and access, iii) bioclimatic resilient infrastructure, and, iv) sustainable forest management.
- Low-carbon resilient agriculture: a key point of the proposal is to prioritize financing low-carbon and resilient agriculture systems, and the support of a transformation of systems dependent on agrochemicals and fossil fuels. This paradigm shift is essential in such an important productive sector in Argentina, and will contribute to increasing resilience and reduce emissions. The Programme will also contribute to demonstrate the benefits of organic production and ancestral knowledge, as well as it will preserve landscape and community roots in areas where these values are at risk due to the expansion of modern agriculture systems.
- Appropriate technology and best practices: the Programme will promote the use of appropriate technology for rural agriculture, livestock and agroindustry. To do this, UCAR will work together with INTA (National Institute of Agriculture Technology), an executing partner that develops technology considering the needs and context of rural producers. INTA also provides capacity building for construction, operation and maintenance, health and safety issues that are essential for the appropriate use of the technology and the implementation of best practices. For instance, INTA develops adaptation and renewable energy technology for the application in rural areas, for example: i) dehydrators for vegetables, legumes and seeds to provide added value to their production, ii) solar distillers to remove arsenic from drinking water, iii) retrofitting roofs and water cisterns for rainwater storage that can be self-constructed with cheap and accessible materials, iv) water reservoirs built with ancestral techniques that have been inherited from local knowledge and which are specially adapted to climate and soil conditions, v) biodigestors for wastewater treatment for small agroindustries such as community dairy industries, and, vi) solar water heaters for agroindustry, among others.
- Revolving Funds for small-scale producers: The Programme proposes self-managed revolving funds for the component that finances projects of small-scale producers. The instrument intends to work as a strengthening tool for associations and organizations, by complementing the support given through non-reimbursable funds. The revolving funds will be destined to cover the needs of working capital related to adaptation and mitigation projects, and will also enhance an associative resource management.

#### E.2.4. Contribution to regulatory framework and policies

*Describe how the project/programme strengthens the national / local regulatory or legal frameworks to systematically drive investment in low-emission technologies or activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development.*

Working at a micro-region scale in a participatory strategic planning process with all the relevant stakeholders will strengthen the micro-region and catalyze future collaborative work. The development of an integral diagnosis of the micro-region, based on the impact of climate change will result in the elaboration of a transformational Mitigation and Adaptation Plan that could be the base for regulatory and policy changes at a municipal and provincial level.

The proposal will contribute to set an example for Mitigation and Adaptation planning at a micro-regional scale in which various municipalities will need to interact between each other. This experience will be extremely valuable and serve as a reference for the National Adaptation Plan that will be carried out by the National Ministry of Environment and Sustainable Development with the aid of GCF readiness funds.

Additionally, the Programme will put into action emission reduction goals and address adaptation needs established by Argentina in its NDC.

The present Programme is aligned with the Agri-Food and Agro-industrial Participatory and Federal Strategic Plan 2010-2020 (PEA) which is promoted by the National Government as one of the main central lineaments of its administration in the National Ministry of Agroindustry. The PEA was launched in 2010 and its purpose has been to generate a shared vision of the future for the Sector, with contributions from all stakeholders comprising such sector. The PEA has promoted the participation of stakeholders of the Sector through spaces designed to enable interaction and dialogue.

The present proposal is also aligned with the Sustainable Development Goals that include the goals of ending poverty, achieving food security and promoting sustainable agriculture, reducing inequality and promoting inclusive societies. The Programme will contribute to these goals through the enhanced resilience of micro regions by: i) the adoption of climate-resilient agricultural practices that increase productivity and food security, ii) improved access to safe drinking water reducing burden of labour (in particular on women) and illness, iii) empowering of local communities, particularly women and youth, with improved decision making, planning, and coping capacities against climate-risks and impacts, iv) adopting low-carbon efficient technologies and practices that will increase quality of life and improve livelihoods. The Programme's ultimate goal is to develop rural economies and recognizes that smallholder farmers are the backbone of these rural economies and therefore need to have livelihood security.

Moreover, the Programme, through enhanced coordination and synergies among the various stakeholders strengthens policy and institutional frameworks for long-term sustainability project activities, outcomes and impacts towards climate resilient development in the country.

Finally, regarding land tenure, the Programme will define within the Programme's Operations Manual the different information/documents that will be considered from the beneficiaries in order to demonstrate their linkage with the land that is object of investment. The definition will be based on UCAR's vast experience and trajectory executing rural development projects and programmes within the target population that will benefit from the Programme. In cases where the beneficiaries don't count with the information/documentation required by the Programme, UCAR will provide with the guidance and training so that the beneficiaries can initiate official formalities in order to process the requested information/documentation.

Besides, the trainings on organizational strengthening proposed in Component 1 will include land tenure approach.

## E.3. Sustainable Development Potential

### Wider benefits and priorities

#### E.3.1. Environmental, social and economic co-benefits, including gender-sensitive development impact

##### **Economic co-benefits**

The Programme will support 5,750 rural families (over 28,750 people) for:

- Adapting to climate change and variability, in a scenario that shows that ecological and human systems will suffer from loss of productivity, fragmentation and soil erosion and loss of nutrients, displacement or reduction of the geographical range of some species; effects on the quality and quantity of water that are expected to affect the availability, stability, access and use of food; increase in mass weathering phenomena, such as landslides and rock avalanches; greatest droughts that will increase the risk of forests and natural vegetation fires.
- Contributing to GHG mitigation by promoting the adoption of renewable energy and other sustainable practices in regions where rural population has limited access to energy, where altered hydrological cycle is expected to affect hydroelectric and potable water production and where there is a high forestation and reforestation potential.

These measures will be promoted in rural areas where the type of beneficiaries prioritized by this Programme have significant limitations for accessing credit, technology and public sector interventions (see description of barriers faced by beneficiaries in section 3.4 of the Feasibility Study: Needs of recipient). The Programme activities will promote, in five vulnerable micro-regions of Northern Argentina:

- Increased capacity for developing and implementing efficient adaptation approaches to climate change that lead to protection of property and farmer's incomes;
- Further increases in financial stability during times of extreme events;
- Increase in the use of clean technologies that will promote low-carbon development in the territory, leading to efficiency and independency of variations in electricity, water tariffs and imports.
- Significant savings related to energy savings. Estimations are not provided: tariffs in Argentina are in a process of restructuring, and they vary according to every Province. At the Concept Note stage, actual sources of energy or the proportion of beneficiaries that will chose different types of renewable energy are not known for the purpose of calculating cost savings.

Furthermore, gender perspective promoted by the Programme will enhance self-consumption, generation of small-scale income and the care of the family production unit

Besides, the Programme will contribute to the potential for job creation.

The most direct and valued impact will be the rooting of male and female agricultural producers to the rural environment that will be obtained through the adaptive actions and investments applied in their production systems, as well as with the strengthening of technical presence in the territory and the participation processes, community-based planning and the promotion of associativism between producers.

On the other hand, the planned investments contemplate a co-financing that in many cases will entail workforce on the part of the beneficiaries. This implies that beneficiaries will be trained in construction

processes that will give them the potential to offer construction services in the market. In addition, public investment and private investment as well will generate work from different suppliers, and in many cases the promotion of new technologies will generate movement of new suppliers.

### **Social co-benefits**

Programme activities will promote access to water, energy and sustainable agricultural practices that will contribute to increase income, enhancing food supply, and thus improve living conditions of the small farmers.

Enhanced resilience and preserved landscapes, fostered by soil conservation, restoration, forestation and reforestation measures, will promote the roots of communities.

The response capacity of small farmers is very low, since very few actually take specific actions to adapt to climate variability. Local capacities will be strengthened based on increased skills focused on climate change approaches; in addition, participatory processes will enhance local capacity of coming together and making collective decisions, increased gender equality and representation by women within community structures. Therefore, social cohesion will be reinforced.

With regards to Indigenous Peoples, the Programme recognises, agreeing with the Permanent Forum on Indigenous Issues, that they are among the first to face the direct consequences of climate change, owing to their dependence upon, and close relationship with the environment and its resources (Seventh session of the United Nations Permanent Forum on Indigenous Issues, 21 April to 2 May 2008 in New York: "Climate change, bio-cultural diversity and livelihoods: the stewardship role of indigenous peoples and new challenges). This Programme will promote adaptation and mitigation measures with a conservation approach, enhancing sustainable practices in habitats where indigenous communities live. MAPs elaboration will be aligned with the communities' culture and knowledge.

Adaptation and mitigation measures promoted by this Programme will contribute to improving socio-economic wellbeing and building resilience of the rural communities to the impacts of climate change. Without the Programme's proposed activities, food security, access to water, energy and ecosystem resilience will remain a major challenge which will be exacerbated by climate change. The Programme will enhance preservation of landscapes; will promote preserving the roots of communities; will increase skills focused on climate change adaptation approaches; will increase gender equality; and will promote participatory processes that enhance local capacity of making collective decisions.

- Improved health and safety

All activities will be linked to training. This training will include the promotion of health and safety aspects related to each topic, e.g. safety measures for the construction of boreholes or water cisterns; instructions for eliminating potential contamination of water before consumption; safety measures regarding maintenance and operation of renewable energy equipment; among others.

In the case of substitution of fuels for e.g. heating or cooking, visible results related to improved health will be reached.

### **Gender co-benefits**

Gender dimension is an integral part of the Programme and is incorporated and applied as a cross-cutting

approach, and as an analytical instrument and object of research.

All the actions included in the Gender Action Plan seek the visibility of women as producers and workers, and their empowerment. As the Programme will work with a participative methodology during the preparation of the MAPs in each micro-region, women will be strengthened on having the tools for participate in real aspects.

Through the Gender Action Plan, the Programme will develop local capacities on Mitigation and Adaptation with gender approach (technical staff and women and men producers).

Also, it was established evaluation criteria for the financing (Output 2.2 Adaptation and mitigation projects of organizations of smallholders implemented) of family agriculture organizations, which will have a positive impact on promoting gender equality: associations that have women in their managerial positions will be prioritized.

The Programme also established criteria to guarantee the involvement of women in all instances of action, so it is expected to increase the participation of women in family farmers' organizations, as partners and as leaders, to improve their productive knowledges and their capacities related with adaptation and mitigation, and to improve their financial knowledges

Finally, the Programme takes into account women's difficulties in planning their participation in activities outside the home (due to the established gender roles). So it will be establish meeting times (or any instance of participation) considering the possibility of participation of both men and women and it will organize ad hoc childcare spaces.

### **Environmental co-benefits**

Environmental co-benefits are related to improving communities and ecosystems conditions, as well as reducing GHG emissions that will affect them further in the medium and long term.

Programme activities will deliver a number of specific environmental benefits that include: soil conservation, flood control and reduction of erosion; improved tree cover that will have several interlinked environmental benefits such as improved micro-climate, improved soil structure, improved drinking water quality, increased biodiversity; restoration of ecosystems, preserving biodiversity and acting as carbon sink; use of clean energy that will promote healthier livelihoods by improving air quality and avoiding use of fossil fuels or forest resources.

It is important to remember that communities of rural areas are more vulnerable to climate change due to their levels of environmental degradation. As expressed by the UNISDR, environmental degradation, settlement patterns, livelihood choices and behaviour can all contribute to disaster risk, which in turn adversely affects human development and contributes to further environmental degradation.

Implementation of Programme activities will increase the ability of ecosystems to sustain essential ecosystem provisioning, supporting and regulating services in the face of climate change. This increased resilience to climate change will have a positive impact on livelihoods, acting as soft infrastructure against extreme events.

Finally, with regards to capacity building, the Programme as a whole will support, through training activities in

Component 1, changing attitudes towards adaptation to climate change and to the use of sustainable solutions related to GHG mitigation.

#### **E.4. Needs of the Recipient**

Vulnerability and financing needs of the beneficiary country and population

E.4.1. Vulnerability of country and beneficiary groups (Adaptation only)

*Describe the scale and intensity of vulnerability of the country and beneficiary groups, and elaborate how the project/programme addresses the issue (e.g. the level of exposure to climate risks for beneficiary country and groups, overall income level, etc).*

Chapter 1 of the Feasibility Study presents a detailed description of the scale and intensity of vulnerability of the country and of the beneficiary groups, specifically the regions where the Programme will be implemented.

As it was addressed in Chapter 1 and 2 of the Feasibility Study, the North of Argentina not only is the most background region according to economic and social indicators, but it also has the most populous presence of vulnerable population to climate change (please refer to chapter 2 point 1.2 for further information on social vulnerability to climate disaster risk).

The vulnerability to climate change of the economy and local communities of the North of Argentina is a result of a number of factors, such as: i) high impact of climate change on highly degraded ecosystems; ii) high poverty levels which reduced capacities to cope with climate change; iii) high amount of subsistence family agriculture dependent on climate variables; iii) deficient access to drinking water; iv) limited financial capacity to finance adaptation measures; v) dependence on costly fossil fuel for energy and limited access to sustainable clean energy sources; and vi) limited organization at local levels for policy dialogue around climate change.

The North region of Argentina presents an existing environmental fragility that is exacerbated by climate change impact as it was described in chapter 1 of the Feasibility Study. This existing environmental fragility includes: degradation of natural systems, mainly due to the advance of the agricultural frontier; disturbance of natural processes as wind and water erosion and as a result of absence of planning and maintenance of some civil works; problems of natural origin as presence of arsenic in groundwater and soil salinization.

Besides, there are also problems due to severe degradation processes generated through water and wind erosion; soil degradation on account of the agricultural frontier advance and changes in the use of agrochemicals and grassland fires.

And, climate change will exacerbate current and future risks to health, given the region's population growth rates and vulnerabilities in existing health, water, sanitation and waste collection systems, nutrition, pollution, and food production in poor regions.

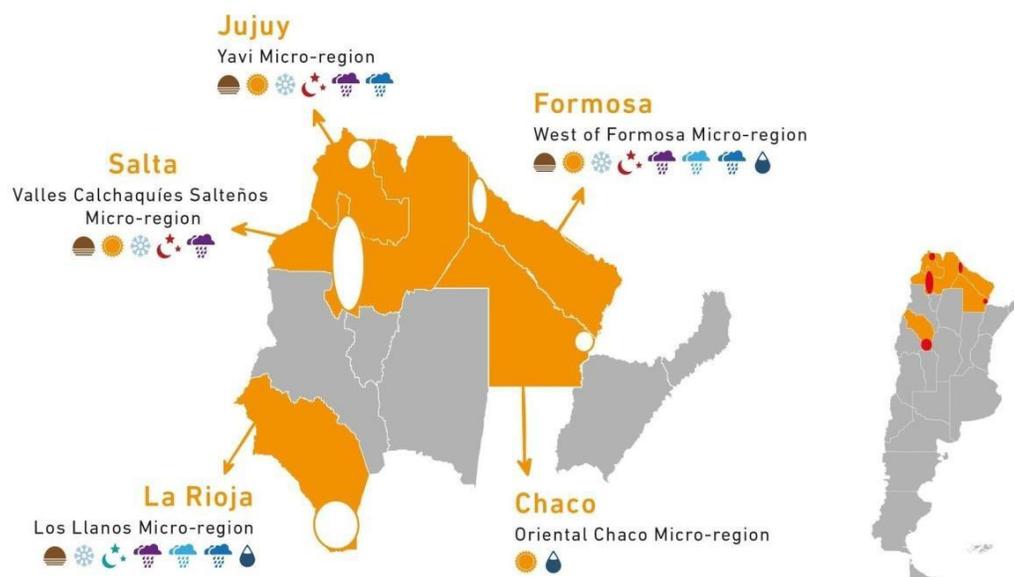
As it was previously addressed, according to the changes in climatic variables from 1960 to 2010 and the climate projection for the near future (2015-2039) and for the end of the century (2075-2099), the NOA and NEA regions will be subject to the following climate tendencies:

- Increase of mean annual precipitation
- Increase of extreme precipitation events
- Increase in the length of dry spells, especially in NOA region
- Increase of frequency and duration of floods in the NEA region
- Increase of annual mean temperature
- Significant increase in the number and duration of heat waves
- Increase of tropical nights (except for La Rioja Province where there is a reduction tendency)

Specifically the Programme will work on five micro-regions from the Great North of Argentina that have been prioritized due to their vulnerability to climate change and the presence of rural development programmes and institutional capacity. For more information on micro-regions prioritization process please refer to Chapter 2 point 2.2 on the Feasibility Study.

The following map summarizes climate change events and related impacts in the Programme's micro-regions.

## MAP OF PROGRAMME MICRO-REGIONS WITH THEIR EXTREME CLIMATE EVENTS AND RELATED IMPACTS



### Extreme Climate Events and Related Impacts

	Reduction in the number of days with frost		Increase in the maximum daily precipitation of the year
	Increase in the number of tropical nights		Increase in the total annual precipitation due to torrential rain
	Reduction in the number of tropical nights		Increase in the maximum annual precipitation of 5 consecutive days
	Increase in the maximum length of dry spell		Occurrence of floods
	Presence of degradation process in drylands		

### Map of the Programme's selected Micro-Regions

*Source: Prepared by the authors.*

The projected climate conditions for the Great North region of Argentina will bring about impacts on the environment and the livelihoods of vulnerable communities.

In this sense, increase of dry spells will bring about an increase of arid conditions that can easily lead to desertification processes. And this as well can entail less productivity and displacement or reduction of some species with possible local extinction. Besides, the risk of forest and natural vegetation fires will increase.

Besides, effects on the hydrological cycle will affect agricultural, hydroelectric and potable water production, with related effects on access and use of food and increase in mass weathering phenomena such as landslides and rock avalanches.

### **Risk management in the region**

The disastrous consequences that the extreme climate events cause on the region can be aggravated by deficiencies in risk management such as:

- Institutional weakness: Fragmentation and lack of communication between government agencies;
- Deficiencies in disaster prevention: lack of qualified human resources, absence of regulations improving the living conditions of the people and preserving their property, and little availability of reliable and timely information.

### **How the Programme addresses the issue**

The present EDA proposal promotes a sustainable, inclusive and resilient development of the micro-regions. This will be addressed through the development of Mitigation and Adaptation Plans (MAP) that integrate adaptation and mitigation measures in the form of projects. The MAPs will be developed in each one of the prioritized micro-regions through a participatory process looking forth to the generation of local capacity and ownership of the proposed actions to address climate change issues.

The Programme will work to benefit rural small-scale farmers who directly depend on agriculture for their livelihood and therefore are considerably vulnerable to climate change impacts. The Programme distinctively focuses on the most vulnerable farming communities and groups, including women, through Outcomes 2.1 and 2.2.

The Programme proposed contemplates the following lines of action:

- a) Actions intended to raise awareness about climate change impacts, gender equality aspects, strengthening of organizations and rights approach, and improve understanding of institutions, communities and organizations of small-holders, indigenous communities and rural workers on the potential adaptation measures which may reduce their vulnerability and improve their living conditions. Besides, actions intend to develop capacities for the preparation and implementation of Mitigation and Adaptation Plans. These actions included in Component 1 are proposed for the Programme's beneficiaries and for government technicians at a local and national level.
- b) Direct support to the rural population by developing public investments in infrastructure and services intended to reduce the vulnerability of the specific micro-region and foster low-carbon development. These investments are included in Outcome 2.1.
- c) Direct support to smallholders, small-scale producers and small-scale producers' organizations through financing investments for individuals (on-farm) and for associations (off-farm), as well as technical assistance in order to implement adaptive and mitigation measures. This support will be channelled through Outcome 2.2 of the Programme, and will potentially be complemented by the support of other Programmes of the UCAR and other institutions.

### **E.4.2. Financial, economic, social and institutional needs**

*Describe how the project/programme addresses the following needs:*

- *Economic and social development level of the country and the affected population*
- *Absence of alternative sources of financing (e.g. fiscal or balance of payment gap that prevents from addressing the needs of the country; and lack of depth and history in the local capital market)*
- *Need for strengthening institutions and implementation capacity.*

As it was described in Chapter 1 and Chapter 2 of the Feasibility Study, the object region of the Programme presents extreme climatic conditions and high vulnerable population. The Programme aims to reduce exposure to climate change as well as to contribute to the reduction of GHG emissions in such region through five prioritized micro-regions in the Provinces of Jujuy, Salta, La Rioja, Formosa and Chaco.

Besides, the Programme will work to benefit rural small-scale farmers who directly depend on agriculture for their livelihood and therefore are considerably vulnerable to climate change impacts. The Programme distinctively focuses on the most vulnerable farming communities and groups, including women, through Outcomes 2.1 and 2.2.

The Programme would ensure that beneficiaries (women and men) acquire abilities to adopt conservation agriculture and climate-resilient agricultural practices to produce food; and that severely poor vulnerable families have access to safe water, renewable energy and are using productive resources and services for food and nutrition security and sustainable livelihoods improvement.

## **1. Financial needs**

Smallholders and small-scale farmers: The main beneficiary group of the Programme encompasses groups of rural population with high poverty and vulnerability levels to climate change, including small-scale family producers, indigenous peoples and rural workers. Overall, such groups lack such technological capacity and access to technology and financing that would allow them to escape the poverty trap caused, among other factors, by deficient assets, limited resource, isolation, limited access to services and markets, food insecurity, land tenure insecurity, and low levels of education and organization.

For these beneficiaries the Programme proposes non-reimbursable funds for the execution of investments/activities intended to improve the living conditions of the vulnerable rural communities while creating synergies with greenhouse gases emission reduction measures. Besides, non-reimbursable funds will be accompanied by self-managed revolving funds. The proposed instrument intends to work as a strengthening tool for associations and organizations, by complementing the support given through non-reimbursable funds to smallholders, destined to cover the needs of working capital related to adaptation and mitigation projects. This tool will allow the continuity of the proposed actions beyond the term of execution of the Programme.

## **2. Institutional needs**

The Rural Development Programmes formulated since 2007, began to incorporate the territorial space dimension when considering that a policy for family farming is only feasible if it is integrated with a strategy of local development that revalues rural living space.

In this way, the environmental issue, and in particular the issues related to climate change, both concepts intrinsic to the territory itself, have gained preponderance in the national public agenda of the sector, especially during the last five years.

At the same time, the growing incorporation of climate change concept as a social problem, allows decision-makers (different social and economic actors and citizens in general) to become aware of the needs in mitigation and adaptation measures for climate change, which implies a greater preponderance to identify their institutional needs.

Within this framework, the activities carried out under component one, will be based on the identification of the needs in the micro-regions in order to develop the capacities needed to define strategies in adaptation and mitigation of climate change in their territory and incorporate them in the project's formulation process.

## **E.5. Country Ownership**

Beneficiary country (ies) ownership of, and capacity to implement, a funded project or programme

### E.5.1. Existence of a national climate strategy and coherence with existing plans and policies, including NAMAs, NAPAs and NAPs

*Please describe how the project/programme contributes to country's identified priorities for low-emission and climate-resilient development, and the degree to which the activity is supported by a country's enabling policy and institutional framework, or includes policy or institutional changes.*

The Republic of Argentina has actively taken part in the process of generation and development of the international climate framework, particularly regarding the United Nations Framework Convention on Climate Change. For several years now, the country has implemented voluntary national mitigation and adaptation actions in different sectors. In this regard, Argentina has already submitted three National Communications, has prepared the "National Climate Change Strategy" and has recently sent its Nationally Determined Contribution (NDC) to the Convention.

**National Communications and Biennial Reports.** Argentina's government submitted its first Communication in 1997, a revised version thereof in 1999, and the Second National Communication in 2007. In November 2015, the Third National Communication was published. The Biennial Update Report (BUR) is intended to inform about the country's greenhouse gas emissions and is submitted before the United Nations Climate Change Framework Convention every two years. This report was submitted in Paris, in December 2015.

#### ***Alignment of this proposal with National Communications:***

This proposal bases the geographical prioritization of the NOA and NEA regions on climate vulnerability according to studies from the last National Communication for near-future and far-future scenarios, and to the impacts anticipated of climate change and variability. Selection of the micro-regions and evaluation of community vulnerability will be mostly based on information provided by such technical reports.

#### **Nationally Determined Contribution (NDC)**

On October 1st, 2015, Argentina submitted its Nationally Determined Contribution (NDC). Based on the achievements made during the twenty-first Conference of the Parties (COP 21), particularly the Paris Agreement, Argentina has adopted the decision of reviewing its NDC, which effort will go on for the next years.

Argentina has signed and ratified the Paris Agreement, in September 2016. Therefore, the revised contribution supersedes the first NDC version.

The goals provided in such revised NDC by Argentina are:

- d) Argentina shall not be in excess of 483 million tons of CO<sub>2eq</sub> in net emissions by year 2030. This goal shall be achieved through the implementation of a series of economy measures focusing on the energy, agriculture, forestry, transportation, industry and waste sectors.
- e) Argentina submits an adaptation communication including national circumstances, vulnerability and climate change impact, efforts already made and in progress, and specific needs that arise from the national process conducted at the National Cabinet for Climate Change.

*Alignment of this proposal with NDC:* On the **mitigation** side, if all unconditional measures included in the NDC were to be implemented, Argentina's contribution to the global efforts required by 2030 to achieve the goal of maintaining the temperature increase below 2°C as regards pre-industrial levels would be close to present-day emission proportion (0.6% of reductions, compared to 0.7% of emissions). The impact of this proposal in reducing emissions is modest, given that it focuses on adaptation of vulnerable areas more than on reducing emissions *per se*. Anyway, it constitutes a no so negligible contribution in that it finds small-scale solutions which can be owned by small-scale producers, and thus can be sustained over time and force a paradigm shift at such level.

On the **adaptation** side, initial needs were identified during the first stage of survey of needs that will continue into the future. Such needs refer to the spheres of i) research and development, ii) institutional strengthening, iii) vulnerability reduction and iv) awareness building and education.

This proposal answers to different kinds of needs stated in the NDC:

- In the area of **institutional strengthening**, the NDC highlights:
  - ❖ The need to create human resource capacity and to improve coordination among institutions for planning and management of climate change adaptation issues. As described, Component 1 of this Programme provides for training activities in adaptation to climate change both intended for the Programme's beneficiaries and for the governmental technicians at a national and local level. In addition, all grants of Component 2 include specific training connected to each type of investment.
  - ❖ The need to create multi-disciplinary teams of support for different initiatives with the purpose of strengthening territorial management processes. In this regard, the proposed Programme will be an exercise at small scale for the creation of multi-disciplinary teams, which will be evidenced by the creation of evaluation committees with specialized technicians from different agencies, to the composition of ad-hoc associations for each micro-region where the different local actors, among who there are both representatives of the beneficiaries and institutions, shall carry on their MAPs.
- As for **reduced vulnerability**, the NDC singles out the following:
  - ❖ The need to develop structural and non-structural works to prevent flooding, drought, and heat waves. The proposed Programme includes financing lines for public works, for initiatives of an association or individual nature that tend to such needs. Some examples of the measures that can be financed by the Outcome 2.1 for systemic projects of public investments are "works to prevent landslides, infrastructure to prevent flooding, access to and storage of surface water and/or groundwater, early warning systems and the respective contingency plans, community feeding systems for livestock in extreme climatic events, bridges or improvements in rural roads, reclaim of areas affected by natural disasters". Some examples of measures to be financed under Outcome 2.2 which are aligned to these NDCs' identified needs are "conservation and management of ecosystems; ecological management of pests, weeds and diseases; regeneration of degraded soils through the use of organic fertilizers; diversified production systems; local water management, systems to improve water quality; erosion control".
  - ❖ Strengthening of initiatives that support land reclaim and recovery processes, including ecosystem-based adaptation. As described in Chapter 3 of the Feasibility Study, examples of activities that can be financed under Component 2 are "conservation and management of ecosystems, reforestation and forest regeneration, restoration of vulnerable or degraded ecosystems, control of forest fires; regeneration of degraded soils through the use of organic fertilizers; diversified production systems, erosion control".
- The creation or strengthening of Early Warning Systems at the level of micro-regions is deemed eligible to be included in the MAPs. If the micro-regions decided to prioritize such types of measures, the Programme will be also contributing to cover the need of "strengthening the early warning systems", included in the NDC within the **research and development** area.
- Lastly, the training activities in adaptation to climate change, plus the communication and dissemination of lessons learned committed, will contribute to the needs stated in terms of **awareness building and education**.

### **National Adaptation Plan (NAP)**

Argentina is devoted to the design and implementation of a National Adaptation Plan (NAP) before 2019. The NAP will have sub-national and sectorial chapters. It will help prioritize adaptation actions at a national level, and to

generate a conceptual and institutional framework to allow designing and implementing local adaptation plans by other actors.

Presently, the Ministry of Environment and Sustainable Development is preparing a Readiness proposal to be submitted to the GCF with the purpose of conducting the construction and implementation of such Plan.

**Alignment of this proposal with the planned NAP:** This proposal is aligned with the plan of the Ministry of Environment and Sustainable Development, and may be considered a Pilot Programme that brings experience and examples of best practices on how to build adaptation strategies with the local actors, and on how to implement, execute and monitor them.

#### E.5.2. Capacity of accredited entities and executing entities to deliver

*Please describe experience and track record of the accredited entity and executing entities with respect to the activities that they are expected to undertake in the proposed project/programme.*

**UCAR (Unit for Rural Change)** falls under the Ministry of Agroindustry to which it reports and has recently been accredited as **Accredited Entity** before the Green Climate Fund. Such unit shall fulfill the functions inherent to an AE in line with the fiduciary and operating standards required at the time of their accreditation.

UCAR's financial volume of explicitly designed climate-change activities<sup>14</sup> represents a portfolio of more than 467.5 USD million, from which 350.2 USD million have already been executed; however, considering the nature of UCAR's programmes, we can state that, to a greater or lesser extent, the whole of its financial volume is related to increasing adaptive capacities, representing, to date, a portfolio of over 1,300 million USD of ongoing programmes and 1,276 million USD of completed programmes.

UCAR will execute the Programme with the support of all its administrative, accounting and financial, human resources, monitoring and evaluation areas.

#### E.5.3. Engagement with NDAs, civil society organizations and other relevant stakeholders

*Please provide a full description of the steps taken to ensure country ownership, including the engagement with NDAs on the funding proposal and the no-objection letter.*

*Please also specify the multi-stakeholder engagement plan and the consultations that were conducted when this proposal was developed.*

In order to ensure country ownership, several multi-stakeholder engagement processes were developed during the diverse stages of the Programme formulation:

- ✓ UCAR's EDA proposal was elaborated in close consultation with the NDA and the National Climate Change Direction of the Ministry of Environment and Sustainable Development to ensure the goals and activities are in line with the national priorities.
- ✓ As it was previously described, the proposed EDA is aligned with the National Determined Contribution (NDC) on both, mitigation and adaptation strategies, as well as with the National Adaptation Plan that will be carried out by the National Ministry of Environment and Sustainable Development.
- ✓ The NDA has reviewed UCAR's EDA Proposal and has submitted a No Objection Letter.
- ✓ Multi-stakeholder consultation was carried out in various instances and at different levels, as described

<sup>14</sup> Considering the Adaptation Fund Project, PRODERI's adaptation projects and PROSAP's irrigation projects.

below:

- i. **Stakeholder engagement for Micro-Region Strategy:** In each of the five Programme's prioritized micro-regions, a participatory process was held in the framework of the IDeMi and PISEAR Programmes that are being executed in the Micro-regions, as it has been previously described (please refer to Chapter 2 point 3 in the Feasibility Study for more information). The stakeholders that have actively participated in these processes are for example: National Institute of Agriculture Technology (INTA), National Institute of Industrial Technology (INTI), Family Agriculture Secretariat (SAF), Ministry of Production of the provinces, Ministry of Environment of the provinces, representatives of smallholders, private sector and representatives of indigenous communities.
- ii. **Stakeholder engagement for Climate Action Validation:** Secondly, an inclusive and gender balanced workshop was carried out in each of the micro-regions to elaborate on the local climate related adverse impacts that had been previously identified by the stakeholders in each of the strategic plans for the IDEMI and PISEAR programmes. The stakeholders that participated of this process include representatives of: provincial ministries, municipalities, indigenous communities, small farmers association, and technicians from INTA, SAF, among others. The stakeholders of the micro-regions expressed their interest in executing climate related initiatives and continuing the collaboration with UCAR.
- iii. **Stakeholder engagement with Indigenous Communities:** within the framework of the formulation of the EDA Programme, information and consultation processes for Indigenous Communities of the selected micro-regions took place. It is important to mention, that the province of La Rioja doesn't have registration of indigenous communities in Los Llanos Micro-Region. Please find the commitment letters of information and consultation in the Annex II. Throughout the implementation of the Programme, the mechanisms of participation, information and consultation will take place every time the actions affect the Rights of Indigenous Communities, as established in point 9 of the Environmental and Social Management Framework (ESMF).

Please refer to chapter 2, point 3 of the feasibility study for more information on the stakeholder engagement process for the development of the EDA Proposal and for information regarding the consultation process in the micro regions.

#### Stakeholder engagement throughout the EDA Programme development:

- ✓ The present EDA Programme proposes the development of Mitigation and Adaptation Plans (MAPs) at a micro-region level through Component 1 proposed activities.

A participatory process involving key stakeholders will take place for the MAPs development. Through Component 3 of the Programme, the methodology for the MAPs elaboration for each micro-region will be designed and established in order to assure an effective participatory process. The methodology will be built considering the methodologies applied in UCAR's IDeMI Programme and the pilot experience in the Yavi Micro-region, two very significant experiences in UCAR.

The methodology will stipulate how the different meetings will be held, how the calls for participation to the meetings will be done according to each particular case, and other mechanisms and instruments in order to accommodate the needs and characteristics of the stakeholders, as well as the implementation of gender equity considerations in the stakeholder engagement processes.

Regarding potential rural organizations of family agriculture producers and indigenous communities that could be eligible for financing, UCAR counts with a record that accounts for at least 187 organizations (between 30 and 55 organizations according to the micro region).

#### **Role of the National Designated Authority (NDA) in the EDA's Implementation Arrangements**

The role of the NDA signaled in the EDA ToRs has been taken into account by proposing its participation with Oversight functions.

According to the EDA Pilot Terms of reference, the NDA is to have a strong role, both in the stage of identification and nomination of an entity to develop the proposal, and in the monitoring and evaluation of the programme in the Fund's relevant guidelines. This is why the NDA has been included in the Steering Committee, since it is the most strategic role. The NDA will guarantee that the GCF objectives and proceeds are understood and implemented. According to the ToRs, the NDA is expected to report to the Secretariat on the relevant aspects from their oversight function.

For further details on the Programme's implementation arrangements please refer to section C.7 in the Funding Proposal.

## **E.6. Efficiency and Effectiveness**

Economic and, if appropriate, financial soundness of the project/programme

### **E.6.1. Cost-effectiveness and efficiency**

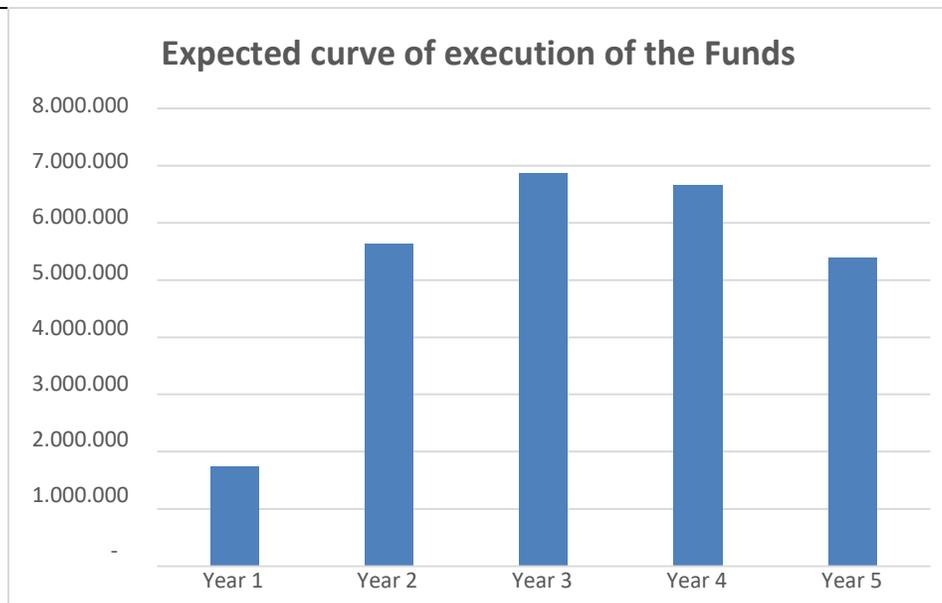
*Describe how the financial structure is adequate and reasonable in order to achieve the proposal's objectives, including addressing existing bottlenecks and/or barriers; providing the least concessionality; and without crowding out private and other public investment.*

*Please describe the efficiency and effectiveness, taking into account the total project financing and the mitigation/adaptation impact that the project/programme aims to achieve, and explain how this compares to an appropriate benchmark. For mitigation, please make a reference to [E.6.5 \(core indicator for the cost per tCO<sub>2</sub>eq\)](#).*

As established in the Timetable of Programme Implementation (ANNEX V) and the Budget (ANNEX VI), activities in the first year will be focused on establishing the baseline and on the development of workshops and technical assistance for the participatory processes in the micro regions. These will be held mainly by Component 1 (39% of the component to be executed in the first year) and by Component 3 (26% of the component to be executed in the first year, from which 33% is related to the cost of the baseline and the household survey).

Only from the second year onwards, activities related to investments, which are concentrated under Component 2, will take place, and activities under Components 1 will be more related to the backing of the concepts that have been installed during the first year of intense technical assistance, especially related to gender issues, and backing of project formulation.

The last year will be focused on the finalization of the adaptation and mitigation activities, lessons learned activities and exit strategy. The expected curve of execution of the funds is shown in the figure below.

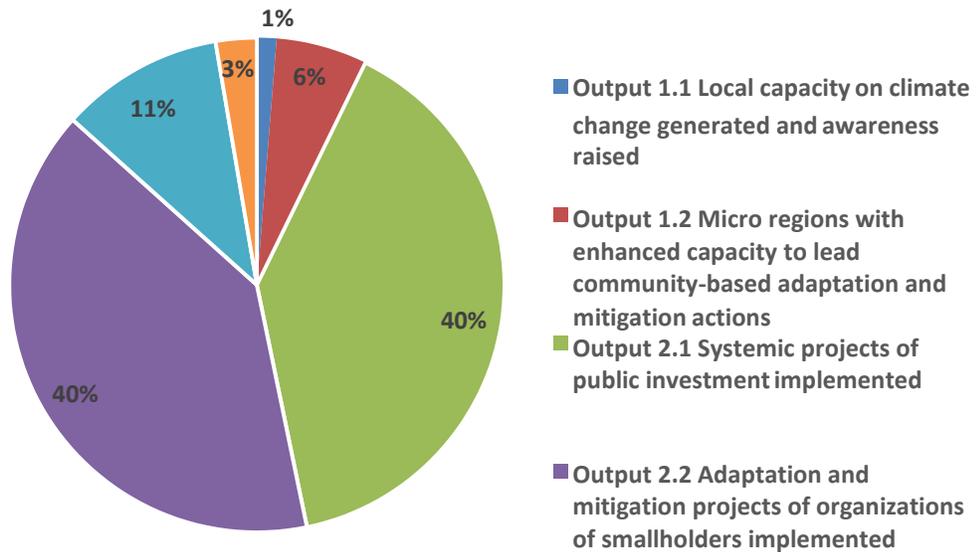


*Source: Prepared by the authors*

All in all, budget assigned for Components 1, 2 and 3 accounts for 7.2%, 79.4% and 13.4% of the total budget, respectively, which is in line with the trends observed in other UCAR's projects and programmes. Therefore, it can be affirmed that most of the funds will be destined to concrete adaptation and mitigation investments for public works and smallholders.

Budget assigned for the different outputs of the project are shown in the figure below.

## Proportion of Budget assigned to each Output

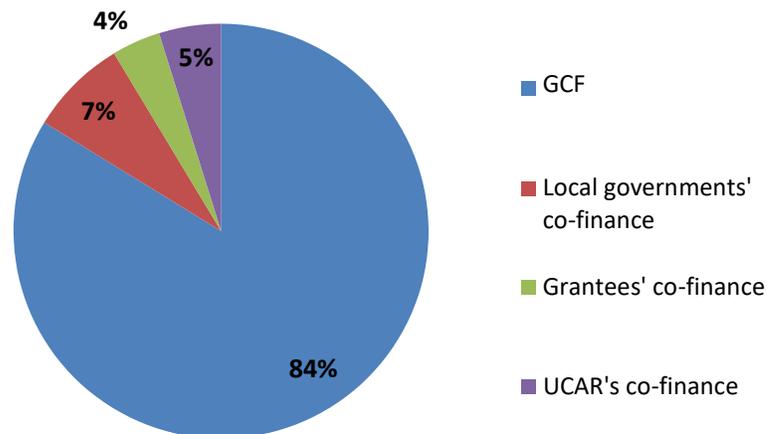


*Source: Prepared by the authors*

Of the total budget requested to execute the present GCF Programme, 83.8% is the amount requested to the GCF, 3.8% is the Grantees' co-finance, 7.6% is the local governments' co-finance and 4.8% belongs to UCAR's co-finance<sup>15</sup>.

<sup>15</sup> Besides, UCAR will provide with a parallel co-financing of at least USD 500,000 from other Programmes that will be implemented in the selected micro-regions.

## Programme's Funding Source Distribution



*Source: Prepared by the authors*

The budget assigned in this Programme for gender issues is significantly out of line in comparison with UCAR's experience in other projects and programmes. More than USD 300,000 will be destined to professionals and workshops in the subject, specific accompaniment to women in project formulation and travel and services expenses to ensure women's participation and access to grants.

### **Cost Efficiency**

The cost efficiency of the Programme is guaranteed since:

- The Programme has been designed to maximize availability and use of the requested resources in favour of rural population. This is so because the cost of technical assistance is internalized by a substantial percentage by the R&D institutions of the National State working for rural development in the area of intervention (i.e. INTA, and Family Agriculture Secretariat), and the conformation of ad-hoc associations that will be contributing to the implementation of the Programme with their working time. Besides, UCAR's existing structure will have a substantial part in the Programme's execution through the key participation of its different administrative and technical areas. This way, execution costs are significantly reduced, shifting the weight of such resources to multiply the number of beneficiaries with access to adaptation and mitigation measures.
- Sustainability criteria and appropriation: adaptation and mitigation technologies proposed in the Programme have been developed under sustainability criteria, which provide greater efficiency potential. Such technologies will be subsequently adjusted and corroborated in participatory action research. Thus, proposals will be corroborated in terms of sustainability by expert governmental technicians in the context of intervention for the issues identified and clearly adapted to the target population. Capacity building activities will also be a guarantee of the permanence and appropriation of technologies by the beneficiaries.
- Collaboration: collaboration among organizations, as well as stakeholder engagement at the local scale, is a crucial element in long-term change. Stakeholder engagement will be promoted as described in chapter 2, point 3 of the feasibility study.
- Programme management and monitoring: UCAR has proven experience in managing rural development projects and programmes with external financing. It will apply the best practices in governance and

management to execute and monitor the Programme activities.

#### E.6.2. Co-financing, leveraging and mobilized long-term investments (mitigation only)

*Please provide the co-financing ratio (total amount of co-financing divided by the Fund's investment in the project/programme) and/or the potential to catalyze indirect/long-term low emission investment.*

*Please make a reference to [E.6.5 \(core indicator for the expected volume of finance to be leveraged\)](#).*

As mentioned in section B.2, the amount of co-finance covered by grantees will depend on the investment elements as following: 20% for subcomponent 2.1 and 10% for subcomponent 2.2.

Regarding co-finance for subcomponent 2.1 a higher co-finance may be requested based on a case-by-case analysis, as appropriate, according to the sub-project in question.

In this regard, according to the assumptions made that the micro-regions will destine 25% of total investments to GHG mitigation projects, mainly by means of generation of renewable energy (78%) and forestation with native species (22%), the co-financing ratio obtained is 0,19. This means that grantees (including smallholders and local governments) will leverage 19% of the investments made for greenhouse gas mitigation.

Co-finance provided by UCAR (including UCAR's parallel co-financing) will be principally destined to development outcomes of the micro-regions, thus allowing the destination of GCF funds to cover climate action to increase resilience and catalyze a low carbon development.

The Programme will set a precedent for incorporating climate change into UCAR's development agenda and its learnings will contribute to include similar actions in current and future operations managed by the organization. In addition, it will prioritize investments in leading producers to motivate the replicability of investments through private or other public funds.

#### E.6.3. Financial viability

*Please specify the expected economic and financial rate of return with and without the Fund's support, based on the analysis conducted in [F.1](#).*

*Please describe financial viability in the long run beyond the Fund intervention.*

*Please describe the GCF's financial exit strategy in case of private sector operations (e.g. IPOs, trade sales, etc.).*

While working with vulnerable populations some climate change measures have a net private cost (i.e. the costs to the farmer are greater than the benefits they receive) but a net social benefit (i.e. the total benefits to the farmer and to society, including the environmental improvement, outweigh the total costs). Multi-functional measures can be particularly beneficial from a social perspective, as they contribute to multiple aims. Without public support, underinvestment in these socially beneficial measures is likely to occur.

Based on other support programs for Family Agriculture managed by UCAR, the Internal Rate of Return is expected to exceed 22% and the NPV is positive in all cases.

#### E.6.4. Application of best practices

*Please explain how best available technologies and practices are considered and applied. If applicable, specify the innovations/modifications/adjustments that are made based on industry best practices.*

Please refer to section F2.

### E.6.5. Key efficiency and effectiveness indicators

<i>GCF core indicator s</i>	Estimated cost per t CO <sub>2</sub> eq, defined as total investment cost / expected lifetime emission reductions (mitigation only)							
	(a) Total project financing	US\$ 26,327,124						
	(b) Requested GCF amount	US\$ 22,055,875						
	(c) Expected lifetime emission reductions overtime	731,851 tCO <sub>2</sub> eq						
	<b>(d) Estimated cost per tCO<sub>2</sub>eq (d = a / c)</b>	<b>US\$ 35.97 / tCO<sub>2</sub>eq</b>						
<b>(e) Estimated GCF cost per tCO<sub>2</sub>eq removed (e = b / c)</b>	<b>US\$ 30.14 / tCO<sub>2</sub>eq</b>							
	<b><u>Estimated cost per tCO<sub>2</sub>eq</u></b>							
	The estimation of emissions reductions has been made assuming that micro-regions would allocate approximately 25% of the funds to mitigation measures, related to renewable energy generation (78%) and afforestation or re-forestation with native species (22%).							
	For detailed information regarding the estimation methodology please refer to the excel sheet in Annex VII.							
	Expected volume of finance to be leveraged by the proposed project/programme and as a result of the Fund's financing, disaggregated by public and private sources (mitigation only)							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">(1) GCF finance contribution to mitigation</td> <td style="text-align: right;">5,513,969</td> </tr> <tr> <td>(2) Total financing from non GCF sources</td> <td style="text-align: right;">4,271,249</td> </tr> <tr> <td>Ratio (1)/(2)</td> <td style="text-align: right;">1.29</td> </tr> </table>		(1) GCF finance contribution to mitigation	5,513,969	(2) Total financing from non GCF sources	4,271,249	Ratio (1)/(2)	1.29
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(2) Total financing from non GCF sources	4,271,249							
Ratio (1)/(2)	1.29							
Other relevant indicators (e.g. estimated cost per co-benefit generated as a result of the project/programme)								

## F.1. Economic and Financial Analysis

*Please provide the narrative and rationale for the detailed economic and financial analysis (including the financial model, taking into consideration the information provided in [section E.6.3](#)).*

*Based on the above analysis, please provide economic and financial justification (both qualitative and quantitative) for the concessionality that GCF provides, with a reference to the financial structure proposed in section B.2.*

The expected benefits achieved after the implementation of the Programme are difficult to quantify for the present EDA Programme since the projects are not yet defined.

However, due to the inherent characteristics of the interventions that will be financed by the Programme, it is expected that the generated externalities will have positive benefits for the community, surpassing the investments made.

As mentioned in section E.6.3, based on other support programs for Family Agriculture managed by UCAR, the Internal Rate of Return is expected to exceed 22% and the NPV is positive in all cases.

The economic benefits provided by the Programme for vulnerable communities will lie in the strengthening of productive systems, through the adoption of local adaptation and mitigation measures to climate change and access to energy from renewable sources. This will have a positive impact on the cost structure of their production, which is predicted from the analysis of the family farming systems in each project. The projects that will be financed will analyze the following: (i) profit (Gross Margin), (ii) net family income (Profit + value of family labour) and (iii) Situation without project.

As mentioned in section B.2, the amount of co-finance covered by grantees will depend on the investment elements as following: 20% for subcomponent 2.1 and 10% for subcomponent 2.2.

Regarding co-finance for subcomponent 2.1 a higher co-finance may be requested based on a case-by-case analysis, as appropriate, according to the sub-project in question.

Co-finance provided by UCAR will be principally destined to development outcomes of the micro-regions, thus allowing the destination of GCF funds to cover climate action to increase resilience and catalyze a low carbon development.

## F.2. Technical Evaluation

*Please provide an assessment from the technical perspective. If a particular technological solution has been chosen, describe why it is the most appropriate for this project/programme.*

Based on the nature of the EDA Programme, specific technologies have not been chosen. However, the best types of technologies have been pre-identified regarding their capacity to provide adaptation solutions and mitigation options, based on the knowledge of the climate change impacts in the micro-regions, as well as their mitigation potential. For more information on the rationale, please refer to the Feasibility Study to obtain the detail of the vulnerability assessments and the mitigation potentials of the micro regions. Examples of potential projects have been developed for providing a better idea of the possibilities. As general criteria, the technology that will be used in the projects will have to be developed and proven to be efficient, subject to any changes necessary in terms of the specificities of each area of intervention, production systems, and social and cultural profile of the beneficiary group.

All the same, the Programme considers the hiring of Technical Experts that will lead the capacity building processes at

the local level, focused on the different types of stakeholders (local governments and smallholders), in order to ensure that the identification of the technologies to invest on are the most appropriate to the needs, the scale, the beneficiaries' capabilities, the geography and the impacts of climate change / mitigation opportunities, that they include measures for sustainability over time (appropriate M&O, for example). The Technical Experts will accompany the Programme activities so that the formulation stages consider all these variables. At the end of the approval line, there will also be an Independent Technical Committee that will ensure that the developed proposals are sound.

The fact that the Programme will establish agreements with institutions that are present in the territory of the micro-regions, such as the National Institute for Agriculture Technology or the Under-secretary of Family Agriculture, provides better guarantee that the adopted technologies are appropriate to the local possibilities in terms of cultural appropriation and functioning.

Technologies to be selected will also pass through the assessment of a Social specialist on the field, as well as the environmental and social assessment by the Environmental and Social Management Unit in UCAR. Therefore, aspects related to environmental, gender, cultural, indigenous peoples issues related to the technology will also be analyzed, ensuring that a systemic and sustainable decision is taken.

The adoption of a participatory approach is an essential part of the rationale behind the Programme since such approach will see to: a) satisfy the needs and demands of the target population, b) strengthen the beneficiaries in their actions as a group and as individuals through the specific practice of preparing and implementing their own projects and, c) increase participation of the beneficiaries in the several stages of any project – in the decision-making, in the follow-up, and evaluation – in such a way that transparency, fairness and actual implementation of the project can be ensured. During the first phase of the Project execution, procedures and training on participatory management mechanisms will be provided to ensure the engagement of the beneficiaries throughout the full cycle.

### F.3. Environmental, Social Assessment, including Gender Considerations

*Describe the main outcome of the environment and social impact assessment. Specify the Environmental and Social Management Plan, and how the project/programme will avoid or mitigate negative impacts at each stage (e.g. preparation, implementation and operation), in accordance with the Fund's Environmental and Social Safeguard (ESS) standard. Also describe how the gender aspect is considered in accordance with the Fund's Gender Policy and Action Plan.*

According to the objectives and planned activities, the Programme will generate low and moderate negative environmental impacts, providing important positive impacts on the environment and the community. for the medium term

The environmental and social impacts expected to be low and moderate and therefore classified in **category B**, requiring the formulation of an Environmental Analysis that considers the eight IFC's Performance Standards and its recommendations.

Please refer to the Annex IV to view the ESMF.

#### **Capacity of UCAR to implement the ESMF**

The capacity of UCAR to implement the ESMF is principally based on its Environmental and Social Unit, which is responsible for the management of these items across the institution.

Its main responsibilities are:

- To ensure compliance with environmental and social requirements and procedures agreed with the External Financing Agencies in the execution of the UCAR Programs and Projects.

- To advise and train the executing agencies in the specific themes related to the environmental and socio-cultural management of the Programs and Projects
- To participate in the preparation of the manuals and operating regulations, in the subjects of its competence, of each Program and / or Project to be executed as a result of new agreed loan operations.
- To perform random environmental and social audits on samples of the portfolio of Programs and Projects managed by UCAR.
- To carry out the control and monitoring of the execution of the Environmental and Social Management Plans (PGAS) and Plans of Indigenous Peoples (PPI) of the Programs and Projects that foresee their realization.
- To coordinate the execution of the ex-post environmental and social assessment of each corresponding Program and Project.
- To prepare Environmental Impact Reports, Management Plans, and Environmental Data Sheets for UCAR Programs and Projects.

UCAR's Environmental and Social Unit has a vast experience in activities associated with the planning, negotiation, formulation, administration, monitoring and evaluation of programmes and projects with the according approach. For guarantee this, different programmes have an ESMF.

The main programme for rural infrastructure has its own ESMF, with an accurate guidance. Environmental and Social Unit's staff is adequately trained to follow up on environmental incorporation in this kind of projects

Another example is the following programmes: Forest Sustainability and Competitiveness (IDB), Sustainable Management of Natural Resources (IBRD) and Biodiversity Conservation in Productive Forest Landscapes (GEF). Each one have an ESMF, which application is monitored by UCAR

On the other hand, UCAR's experience in Increasing Resilience and Enhancing Livelihoods of the most vulnerable people, communities and regions, has been proved by the execution of a significant number of rural development programmes such as PRODERI, PRODEAR, PRODERNEA and PRODERNOA (IFAD). The climate perspective was explicitly included in PRODERI and fully developed through the expertise gained with the on-going Adaptation Fund project in the Northeast of the country.

### **Costs related to ESMF (contemplated in EDA Budget – Annex VI)**

Under the Output 1.2 (Activity 1.2.3. Technical support for proposal development and submission) are considered 10 Environmental and Social Impact Assessment (ESIA), assuming that 1 public work per micro region will be performed within the type of projects that exceed UCAR's capacities and 1 public work per micro region will be performed in the categories of water management, irrigation, drainage, or infrastructure (that can be assessed by UCAR's existing formulation teams)

Also, is consider 1 environmental and social inspector, 1 environmental specialist based in UCAR's offices (that will supervise all the environmental issues) and 1 social specialist, with specific knowledge on Gender and Indigenous Peoples Issues, based in UCAR's offices too.

Travel expenses for the staff and for the inspector are contemplated also in EDA Budget.

## **1. ENVIRONMENTAL AND SOCIAL IMPACTS OF PROGRAMME**

Adaptation and mitigation actions of Component 2 have potential to generate negative environmental and social

impacts. As evaluated, within the activities of component 2, the public investment projects are those that have greater environmental and social risk (Moderated Impact, B-Category). Consequently, a more detailed and in-depth analysis and evaluation is considered for these projects from the design, before being approved and continuous with the execution follow-up.

The potential negative impacts would be verified only at medium or small scale, at local level and in many cases for short periods of time, for example, the construction phase of infrastructure works.

## **2. ENVIRONMENTAL AND SOCIAL SAFEGUARD ASSESSMENT**

The stages of project formulation, evaluation and classification are central for ensuring that projects achieve good environmental and social performance, are well designed, considering the needs and interests of the community, evaluating the possible negative impacts that the activities can generate in the environment and people, and include the measures necessary to avoid them, reduce them to the maximum or eliminate them when possible.

This proposal anticipates the evaluation of adaptation and mitigation projects based on the following grounds: i) environmental legislation and impact assessment systems in force in the Provinces where the Projects are conducted; ii) the institutional characteristics of the proposed Programme; iii) the nature of the environmental and social impact caused by each Project; and iv) the Performance Standards of IFC.

Each project will follow the procedures of environmental and social assessment detailed in the Environmental and Social Managing Framework depending of on the preparation stages and the type of project.

- A. At the **Identification and classification Stage**, projects are classified into A, B or C, depending on how elaborate they are, their location, and the preliminary identification of their impacts' level. Projects classified as Type A are non-eligible for the Programme.
- B. At the **Analysis and Evaluation Stage**, the environmental and social studies required would be conducted depending on the type agreed upon in the Project Profile. C-Type Projects do not require any environmental and social impact assessment. However, if provincial legislation were to require it, such assessment will be conducted and submitted before the competent provincial authority.

For projects classified as Type B, the performance of an ESIA will be a prerequisite. According to the nature and complexity of the project, the need to deepen the analysis and the possibility of a project's site inspection by UCAR's Environmental and Social Management Unit (UGAS) will be considered. In both cases, projects will carry out a public consultation process and will submit an Environmental and Social Management Plan (ESMP) for the project execution stage. Once the ESIA on any project is conducted, the UCAR will proceed to: (i) call the public hearing on the project and on the ESIA according to the instructions provided in the Environmental and Social Manual; (ii) obtain the environmental authorization by the relevant provincial authority for its subsequent referral to UGAS; and (iii) prepare the environmental and socio-cultural specifications of the bidding documents based on the measures for the construction stage, which are a part to the PGAS. Such will be reviewed and approved by the UGAS prior to their publication. Any projects requiring a public hearing will incorporate its results to the project's ESIA.

- C. At the **Execution and Monitoring Stage**, compliance with the ESMP of ESIA will be verified under the supervision of Technical Implementation Unit and UGAS. To such end, an Environmental and Social Works Inspector will be hired for the tasks described in the Environmental and Social Manual as supervised by the UGAS. Such inspector should understand the legal framework in force as the environmental and social operating policies incorporated into the Management Plan that he or she must supervise.

Throughout all the project's cycle phases, UCAR's UGAS will supervise the application of the environmental and social procedures established in the Environmental and Social Manual and should provide general guidance and specific technical assistance upon request.

### **Monitoring and Evaluation Activities**

UCAR will carry out the monitoring and evaluation activities as well as the supervision of the territorial actions

coordinating, supervising and supporting the activities of the Technical Implementation Unit. Monitoring indicators as well as all the information generated will be disaggregated by sex, age, and ethnicity related to the different axes of action.

Please refer to the Annex IV to view the layout of the Procedure of Environmental and Social Categorization and Evaluation of Projects.

### **3. RESETTLEMENT POLICY FRAMEWORK (RPF)**

Those projects that imply involuntary resettlement by displacement of communities are not eligible under this Programme's framework. The PS 5 of IFC applies to projects in which:

- a) The involuntary deprivation of lands that produce, as a result, the loss of assets or the access to them, or the loss of income or livelihood sources.
- b) The involuntary restriction of the access to zones deemed as parks or protected areas by the law, with the consequent adverse effects for the subsistence of the displaced persons.

In case it is established that any project generates involuntary resettlement of population in the above-mentioned terms, the formulation of a Resettlement Plan (RP) will be required according to the guidelines established in ESMF.

### **4. INDIGENOUS PEOPLES PLANNING FRAMEWORK (IPPF)**

#### **A. Effects of the Programme on Indigenous People.**

Taking into account the nature, objectives and approach of the Programme, it is understood that:

- There are Indigenous People in all the selected micro regions (except Los Llanos, La Rioja Province)
- The activities do not show controversial aspects. Negative effects on indigenous are not expected.
- Problems will be diagnosed and given priority from a participatory approach.
- All projects will be formulated and assessed from a participatory approach.

The execution mechanisms of the Programme will guarantee the communities' participation in all the stages of the design of the activities, thus reducing the possibility of complaints towards them.

#### **B. Social Assessment Plan**

A Social Assessment of the projects will be carried out about those activities in which indigenous people are not the direct beneficiaries but they affect the areas in which they are present. The purpose of the evaluation is to determine its possible effects, either negative or positive, on the communities, and to evaluate alternatives of the project in the cases when the negative effects cannot be reduced.

#### **C. Indigenous Peoples Plans**

In the event that the social assessment determines positive or negative effects of a project on indigenous peoples, an Indigenous Peoples Plans (IPP) will be made to ensure that a) the indigenous people affected by the project receive the social and economic benefits appropriate from the cultural point of view, and b) if possible adverse effects on indigenous peoples are identified, such effects be avoided and reduced as much as possible, mitigated or compensated.

### **5. GRIEVANCE REDRESS MECHANISM (GRM)**

This mechanism seeks to facilitate interaction between the Programme and the community to receive all kinds of

concerns, complaints and grievances, and trying to solve potentially controversial situations through dialogue and negotiation.

The Micro Region Ad-hoc Association will be responsible for the implementation of the GRM, and will appoint a referent and set the space for receiving complaints, concerns and queries made by the population in relation to the execution of the projects. The mechanism will be implemented in a transparent and accessible manner for all members of the community and it will provide fair, equitable and lasting results within a reasonable time after filing the complaint.

The following are the steps for registering and resolving queries and / or complaints:

- 1) Reception and registration of queries or complaints
- 2) Evaluation of concerns: in order to determine their relevance
- 3) Response to Concerns and Conflicts
- 4) Monitoring
- 5) Conflict Resolution

Please refer to section 10 in Annex IV for a more detailed description on the Grievance Redress Mechanism.

## 6. PROGRAMME'S GENDER STRATEGY

A **Gender Assessment** was developed to provide the context for gender issues in Argentina and in the region and sector of implementation of the Programme. This evaluation provides a framework regarding the actions taken and current policies with regard to gender equality based on the commitments made by our country through the Convention on the Elimination of all Forms of Discrimination Against Women and its optional protocol (CEDAW) and the proposed objectives for the agenda of Sustainable Development Goals (SDG). Please find the Gender Evaluation in Annex III.

This evaluation serves as a general framework to address gender issues within the implementation of the EDA Programme, as it establishes strategic lines to ensure equality between men and women in terms of resource distribution and control, access to opportunities of social and economic life, as well as full participation in decision-making spaces.

The gender assessment has identified the opportunities to promote gender equality and has established the framework for the development of the **Gender Action Plan** for the EDA Programme. Please find the Gender Action Plan in Annex III.

The gender strategy will be contemplated in the design of the methodology that will be elaborated to guide the elaboration of the MAPs.

The Gender strategy will entail the permanent consideration of situations of gender inequality, working with different tools at each intervention, action or activity and will develop the means of adjustment or affirmative action to attain equal opportunities for men and women. This entails, also, advice, accompaniment and training activities for technical equipment and decision-makers of the Programme, and the organizations and institutions with which the Programme is to work.

Gender dimension is an integral part of the objective of social equity, which is why it is incorporated and applied as a cross-cutting approach, an analytical instrument and object of research, which allows account to be taken of the contributions and differential demands or needs of men and women. These asymmetries occur both in institutions and in the development of work in the countryside. Women are invisible but active part in productive work and provide silent management of farms and organizations. It is necessary then to denaturalize certain cultural patterns and to

arbitrate directed measures that equate the opportunities and make effective the enterprises

The Gender Action Plan establishes instruments and processes for the incorporation of the gender approach to address each component of the Programme. In particular, the Gender Action Plan contains the specific guideline to guarantee the following:

- a. The development of capacities for the preparation and implementation of Mitigation and Adaptation Plans will consider gender aspects, through workshops and specific training on gender and climate change related with the MAP design, both for technical staff and for producers.
- b. A target of percentage of investments destined to women, depending on the results of the baseline and taking into account the information identified in the gender assessment and in UCAR's experience
- c. Investment for associations will be destined to mixed-gender groups (men and women). Associations that have women in their managerial positions will be prioritized. A criterion for gender equity is included in the evaluation process.

The Gender Action Plan also establishes the following principal considerations to be applied across all Programme activities:

- Fostering the composition of mixed groups, including men and women in equal proportions.
- Developing information disaggregated by sex.
- Ensuring that men and women, adult and young population actively partakes in groups. To such end, promotion actions and specific motivation techniques will be implemented for women to participate, to take part in groups of interest and organizations and of the economic and political decisions in the different spaces of participation and decision-making.
- Guaranteeing that the information and dissemination systems, as well as support materials of the training and technical assistance training of the Programme services, are not designed in a sexist language and are free of any stereotyped roles.
- Ensuring that times, frequencies and places of all activities for each component (meeting, workshop, among others) are compatible with women's time availability.
- Implementing systems of childcare, so that women may take part in Programme activities in full.
- Training for technical teams related to productive and management aspects must contain a gender approach, so that they involve women in the topics, and capitalize on the potential for management and trading by women.
- Technical teams conducting field work must foster the active participation of women in technical assistance activities, must orient technical assistance bearing in mind the individual conducting the task at hand.
- Approval of MAPs and projects will be subject to the supervision of a gender expert.

According to the Gender Action Plan, specific measures will be taken in each component according to the expected outcome. All results promote the increasing participation of women in each activity.

In the first instance, it was established that the target of participation of women in Component 2 is 30%, according to the previous experience of work registered by UCAR. 30% of the investments made through this Component must be managed by women. This goal would be modified once the Programme have the results of the baseline, to adapt it in case it is necessary, because it is important to know how many women are involved in this kind of activities (adaptation and mitigation), in each micro-region.

Another important goal to take into account is the amount of organizations (formal or informal), cooperatives and associations that must be mixed (women and men): at least 50% of the total of organizations.

To avoid the reproduction of male patterns in organizations and decision-making spaces, the Programme has two criteria:

- Organizations, cooperatives or associations which don't allow in their statutes the formal association of women will not be eligible for projects
- Priority will be given to those organizations where women are part of their decision-making bodies.

In order to strengthen women's capacities in adaptation and mitigation processes, the Programme proposes:

- To empower women on adaptation and mitigation technologies and bring them the knowledge to access grants, by workshops specifically for women
- To support women on the field, with the accurate resources to participate in meetings and workshops and facilitate their participation in potential formulation activities

At technical level, the Gender Action Plan consider different activities and measures to guarantee that all process have the accurate professional skills to take in account gender perspective and to promote the involvement of women in all stages:

- Specific training on gender perspective (related to mitigation and adaptation), to build capacities on technical staff and stakeholders, before the participative processes begin, as a condition to start the MAP's design
- Specific trainings on gender perspective for technical staff and stakeholders during the participative processes
- Workshops to analyze women participation in the ongoing processes with all technical staff involved working in the micro regions (5 persons per Micro-region)
- Training materials / Publications / Dissemination materials: minor publications (flyers, radio, TV spots, others) for building capacity and supporting calls for proposals based on women participation
- MAPs will be carried out with an appropriate methodology to incorporate gender perspective
- All MAPs will contain a Gender Section, with a specific diagnosis including the needs of women to use innovative technologies and women participation and their use of mitigation technologies
- Each MAP will consider the specific mechanisms to guarantee equal representation for men and women, including women territorial organizations (health organizations, human rights organizations, violence against women organizations, etc.)

Also, the Programme will hire a gender expert for supporting all of the capacity building process, for project formulation and support women on the field. UCAR's gender staff will give technical support to each micro-region during the preparation on MAPs and Technical Experts Committee and Territorial Formulation Team will have a daily and constant interaction with social specialist of the Coordination Unit and with gender expert.

#### **F.4. Financial Management and Procurement**

*Describe the project/programme's financial management and procurement, including financial accounting, disbursement methods and auditing.*

As demonstrated by its accreditation as AE to the GCF, UCAR has an extensive expertise in working with international funds and has a good track record in implementing programmes and projects using international financial management practices. For this Programme, UCAR will be responsible for fiduciary aspects and will be accountable

for all financial and investment activities.

The procurement of goods and services (including consultants' services) for activities financed by the Grant will be carried out in accordance with UCAR's standard practices and procedures, which are aligned to the GCF and national laws, including its procurement and consultants' guidelines.

Besides, the Programme's financial management will be in compliance with the AE's financial management policies and guidelines. A financial management and procurement operational manual will be established for the Programme as a prerequisite to approval.

UCAR shall provide to the GCF:

- annual progress reports on the status of the Project implementation, including the disbursements made during the relevant period or more frequent progress reports if requested by the GCF;
- annual audited financial statement of the Accredited Entity Grant Account, prepared by an independent auditor or evaluation body. The Programme's financial statements will be audited in accordance with international auditing standards and acceptable terms of reference.

UCAR will observe the highest ethical standards during the procurement and execution of this Programme. UCAR will ensure the substantive quality of the Programme implementation; the effective use of both international and national resources allocated to it, and (iii) the proper coordination among all Programme stakeholders, in particular national, sub-national and local partners. A detailed procurement plan by year for the Programme is provided in Annex X.

## G.1. Risk Assessment Summary

*Please provide a summary of main risk factors. Detailed description of risk factors and mitigation measures can be elaborated in G.2.*

The main risk factors of the Programme are:

- 1. Institutional risk:** this addresses the institutional coordination between UCAR, the provincial authorities and the territorial technical institutions.
- 2. Operating and Technical Risk:**
  - a. Investment in mitigation:** Given that the communities define the MAPs in a collaborative and participatory manner, there is no establishing beforehand which actions will be prioritized for each micro-region. Therefore, it is not possible to determine with a degree of certainty how many mitigation projects will be executed.
  - b. Interest of the business private sector:** the business private sector might be reluctant to participate in adaptation and mitigation projects to be promoted by the Programme.
  - c. Capacity building attendance:** capacity building and training workshops do not have appropriate stakeholders attending.
  - d. Quality of the projects defined in the MAPs:** this means the risk that the projects defined in the MAPs do not align themselves with the Programme's objectives and with the GCF guidelines.
  - e. Interest to Invest:** Even though some of the benefits of the projects set forth in the MAPs may arise in relatively short periods of time (an example could be infrastructure improvement, the appropriate management of the natural vegetation, the installation of renewable energy technology, among others),

other interventions may take longer (for example, the improvement of soil quality based on agro-ecological practices, reforestation and native forest regeneration, among others). The investments having long-term benefits may prove discouraging, but are the root of any structural and transformative change towards best productive and sustainable practices. On the other hand, some technological investments must necessarily be accompanied by training on its best use to guarantee a positive impact.

- f. **Communities' execution capacity:** this refers to the beneficiaries' lack of capacity to execute the projects defined in the MAP.

### 3. Economic risk:

- a. **Inflation:** A high inflation level generates a risk in the estimation of costs of the production processes that may be carried over to the product selling price or may be taken in by each project depending on the target market. On the other hand, a high inflation level means that public funds aimed at granting credits for production firms and encouraging demand must have a very high nominal rate to attain a real positive rate and let the fund be sustainable in economic terms, considering that soft credits are granted in local currency. Also, inflation affects more heavily the purchasing power of the population with fewer resources. Therefore, the impacts expected from an improvement in quality of life may be reduced if inflation generates worse conditions.

However, these are the circumstances that account for the need of the Programme in a country such as Argentina, and in a region where the poverty level is high and the life conditions are worse than the country's average.

- b. **Exchange rate:**

*AR Peso Appreciation:* variation in the exchange rate may affect the programme's capacity to cover the costs expected in the case of appreciation of the local currency.

*AR Peso Depreciation:* Should a lag occur between the currency in the period where funds are allocated for non-reimbursable contributions or grants and the time of expenditure, there might be loss of the buying power of the currency since depreciation would be carried over to the price of equipment and technologies to acquire in the short term.

- 4. **Climate risks:** extreme climate events may affect compliance with the activities established in the MAPs.

## G.2. Risk Factors and Mitigation Measures

*Please describe financial, technical and operational, social and environmental and other risks that might prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures.*

### Selected Risk Factor 1

Description	Risk category	Level of impact	Probability of risk occurring
Institutional risk: this addresses the institutional coordination between UCAR, the provincial authorities and the territorial technical institutions. The proposal of this Programme is consistent with national policies and is aligned with the objective of the provinces of reducing rural poverty, reducing the vulnerability of a sector seriously harmed by climate variability, and generating opportunities for sustainable local development.	Technical and operational	Medium (5.1-20% of project value)	Low
Mitigation Measure(s)			

*Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*

These risks may be overcome through timely communication between UCAR, the provinces, and the local institutions. The existing fluid communication - due to the extensive experience of UCAR in the provinces and its articulation with technical institutions - makes it likely for the coordination to be successfully implemented.

**Selected Risk Factor 2**

Description	Risk category	Level of impact	Probability of risk occurring
Investment in mitigation: Given that the communities define the MAPs in a collaborative and participatory manner, there is no establishing beforehand which actions will be prioritized for each micro-region. Therefore, it is not possible to determine with a degree of certainty how many mitigation projects will be executed.	Technical and operational	Medium (5.1-20% of project value)	Low

Mitigation Measure(s)

*Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*

The Programme will seek to hold training to sensitize on the benefits of mitigation activities, associated for example with the use of renewable energy, energy efficiency, soil conservation, and carbon stock. It is understood that, to a great extent, adaptive measures related to the agricultural system entail a positive impact upon mitigation of greenhouse gas emissions. So it is estimated that the investments to be financed through the projects in the micro-regions will be definitely cross-cutting thus contributing both to adaptation and to mitigation.

**Selected Risk Factor 3**

Description	Risk category	Level of impact	Probability of risk occurring
Capacity building attendance: capacity building and training workshops do not have appropriate stakeholders attending	Technical and operational	Medium (5.1-20% of project value)	Low

Mitigation Measure(s)

*Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*

Through Component 1, training is anticipated in cross-cutting issues to sensitize about climate change, gender, organization strengthening, and natural resource sustainable management, among others. Such component will include the identification of the relevant stakeholders to participate, as well as the dissemination and calls through the network of public and technical institutions with a good outreach in the territory. On the other hand, training related to investments regarding best practices and best use of technology from the investments of Component 2 will be held. In this regard, training will be held aimed at people related to the investments, and gender equality will be guaranteed therein. To such end, training will be held in times when women can attend, and alternatives will be offered for child care during training hours.

**Selected Risk Factor 4**

Description	Risk category	Level of impact	Probability of risk occurring
Quality of the projects defined in the MAPs: this means the	Technical	Medium (5.1-	Low

risk that the projects defined in the MAPs do not align themselves with the Programme's objectives and with the GCF guidelines.	and operational	20% of project value)	
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**Mitigation Measure(s)**

*Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*

A clear methodology will be developed for preparing the MAPs specifying the strategy approach towards adaptation to and mitigation of climate change, defining the thoroughness of the analysis of vulnerability to climate change for the micro-region, and clearly specifying the criteria and the requirements to meet for the projects to be defined in the MAP. Also, training will be held in aspects of climate change and adaptive and mitigation measures to generate local capacities in the identification and definition of community-based adaptation and mitigation activities. On the other hand, the micro-regions will have technical support from an inter-disciplinary team of technical experts who will accompany and take part in the process of preparation of MAP in order to ensure the thoroughness and quality of the process. Lastly, the evaluation stages, both of MAPs and projects, are intended to evaluate the alignment of such proposals with the Programme's and the GCF's objectives.

**Selected Risk Factor 5**

Description	Risk category	Level of impact	Probability of risk occurring
Interest to Invest: Even though some of the benefits of the projects set forth in the MAPs may arise in relatively short periods of time (an example could be infrastructure improvement, the appropriate management of the natural vegetation, the installation of renewable energy technology, among others), other interventions may take longer (for example, the improvement of soil quality based on agro-ecological practices, reforestation and native forest regeneration, among others). The investments having long-term benefits may prove discouraging, but are the root of any structural and transformative change towards best productive and sustainable practices. On the other hand, some technological investments must necessarily be accompanied by training on its best use to guarantee a positive impact.	Technical and operational	Low (<5% of project value)	High

**Mitigation Measure(s)**

*Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?*

The MAPs must include investments that are feasible of being implemented by the target population and the activities of which may be sustained over time. It will be fundamental to build awareness in the local actors as to the benefits and needs for mitigation and adaptation measures so that the micro-region may have a sense of ownership over the initiatives. The holding of training to ensure the appropriate use of technologies will be fundamental. Such training shall be entrusted to technical and research institutions which currently work in site and which can continue providing support and subsequent collaboration upon completion of the Programme so as to ensure its sustainability.

**Selected Risk Factor 6**

Description	Risk category	Level of impact	Probability of risk
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			occurring
Communities' execution capacity: this refers to the beneficiaries' lack of capacity to execute the projects defined in the MAP.	Technical and operational	Low (<5% of project value)	Medium
Mitigation Measure(s)			
<p><i>Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?</i></p> <p>The technical team which will accompany the communities in defining the MAP and the relevant projects shall analyse the execution capacity of the proposed projects and shall assist in the design of projects that can be executed and that can be sustained over time. UCAR has experience in accompanying small-scale producers and producers' organizations, and shall proceed to take the necessary steps and trainings so that the former may benefit with the adaptation and mitigation projects.</p>			
<b>Selected Risk Factor 7</b>			
Description	Risk category	Level of impact	Probability of risk occurring
<p>Inflation: A high inflation level generates a risk in the estimation of costs of the production processes that may be carried over to the product selling price or may be taken in by each project depending on the target market. On the other hand, a high inflation level means that public funds aimed at granting credits for production firms and encouraging demand must have a very high nominal rate to attain a real positive rate and let the fund be sustainable in economic terms, considering that soft credits are granted in local currency. Also, inflation affects more heavily the purchasing power of the population with fewer resources. Therefore, the impacts expected from an improvement in quality of life may be reduced if inflation generates worse conditions.</p> <p>However, these are the circumstances that account for the need of the Programme in a country such as Argentina, and in a region where the poverty level is high and the life conditions are worse than the country's average.</p>	Financial	Medium (5.1-20% of project value)	High
Mitigation Measure(s)			
<p><i>Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?</i></p> <p>Fixed assets and contributions to infrastructure should be made in the short term so that inflation may not affect the contributed funds. Similarly, funds must be maintained in U.S. Dollars whilst they are not allocated, so as to avoid losing purchasing power and instead enhance their buying capacity in the short term. Furthermore, the implementation of solar equipment and energy efficiency will allow minimizing, both at a household and a corporate level, the impacts of inflation on the energy bills for the beneficiaries.</p>			
<b>Selected Risk Factor 8</b>			
Description	Risk category	Level of impact	Probability of risk occurring
AR Peso Appreciation: variation in the exchange rate may	Financial	Medium (5.1-	Low

affect the programme's capacity to cover the costs expected in the case of appreciation of the local currency.		20% of project value)	
AR Peso Depreciation: Should a lag occur between the currency in the period where funds are allocated for non-reimbursable contributions or grants and the time of expenditure, there might be loss of the buying power of the currency since depreciation would be carried over to the price of equipment and technologies to acquire in the short term.	Financial	Medium (5.1-20% of project value)	High
Mitigation Measure(s)			
<p><i>Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?</i></p> <p>Maintain the funds not yet spent in U.S. Dollars and encourage acquisition of equipment as soon as the funds from the grants and from the non-reimbursable contributions are awarded.</p>			
<b>Selected Risk Factor 9</b>			
Description	Risk category	Level of impact	Probability of risk occurring
Climate risks: extreme climate events may affect compliance with the activities established in the MAPs.	Social and environmental I	Medium (5.1-20% of project value)	Medium
Mitigation Measure(s)			
<p><i>Please describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?</i></p> <p>The 5-year Programme duration will allow scheduling the activities so as to reduce the risk which may be caused by drought or flooding upon the activities.</p>			

## H.1. Logic Framework.

Please specify the logic framework in accordance with the GCF's [Performance Measurement Framework](#) under the [Results Management Framework](#).

The EDA ToR establishes that unlike the traditional direct access modality, there will be no submission of individual projects to the Fund because decision-making for the funding of the specific pilot activities will be devolved to the country level. Consequently, the following logical framework includes: estimations of target impacts, outcomes and outputs assuming a distribution of allocation of Mitigation and Adaptation resources in the 5 micro-regions, which is not yet known. The Programme expects that each micro-region will define during the first year of the implementation of the Programme, the adaptation and mitigation priorities and the different strategies selected for the micro-region. Once these priorities are identified, the public institutions and smallholders will be able to present projects through the different financial windows. Therefore, we expect to up-date the expected impacts, outcomes and outputs indicators in the corresponding **Annual Update Reports**, firstly after the first year of the implementation of the Programme when all the mitigation and adaptation plans are already approved, and following as the projects are defined. In this way, we will be able to better estimate the expected results of the Programme.

### H.1.1. Paradigm Shift Objectives and Impacts at the Fund level<sup>16</sup>

#### Paradigm shift objectives

<p><i>Increased climate-resilient sustainable development</i></p> <p><i>Shift to low emission sustainable development pathway</i></p>	<p><b>Programme's objective: topromote community based adaptation and low-carbon development in micro-regions, which are vulnerable to climate variability</b></p> <p>This objective will be attained through:</p> <p>Component 1: the project will raise awareness on the impact of climate change and generate capacity to design and implement local adaptive and mitigation strategies</p> <p>Component 2: the project will provide direct finance for the development of resilient infrastructure, the promotion of sustainable natural resources management, the adoption of low-carbon and climate resilient agriculture, and the transformation of the generation and access to energy from renewable sources</p>					
Expected Result	Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions
				Mid-term (if applicable)	Final	

<sup>16</sup> Information on the Fund's expected results and indicators can be found in its Performance Measurement Frameworks available at the following link (Please note that some indicators are under refinement): [http://www.gcfund.org/fileadmin/00\\_customer/documents/Operations/5.3\\_Initial\\_PMF.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Operations/5.3_Initial_PMF.pdf)

Fund-level impacts						
	Male and Female benefiting of mitigation and adaptive strategies promoted by the project					
	Number of direct beneficiaries (families), among which:			1150	5.750	
	Female-headed families			345	1.725	
	Families headed by young people under 30 years old			173	863	
	Indigenous families			690	3.450	
	Number of indirect beneficiaries (individuals), among which:			5.750	28.750	
	Female			2.588	14.375	
	Male			3.163	14.375	
	Indigenous people (male and female)			3.450	17.250	
A1.0 Increased resilience and enhanced livelihoods of the most vulnerable people, community and regions	1.1 Change in expected losses of lives and economic assets (US\$) due to the impact of extreme climate-related disasters in the geographic area of the GCF intervention	Household survey	Pre-programme assessment			Macroeconomic stability in the region
	Change in expected losses of economic assets due to the impact of extreme climate-related disaster				(*)	No major climate disasters
	1.2 Number of males and females benefiting from the adoption of diversified, climate-resilient livelihood options (including fisheries, agriculture, tourism, etc.)					Assuming access to water project and silvo-pastoral projects prioritized in microregions and agroecological practices for rural smallholders
	Number of male and female (indirect beneficiaries), among which:		0	152	7.600	
	Female		0	76	3.800	
	Male		0	76	3.800	
	Indigenous people (male and female)		0	91	4.560	
Number of direct beneficiaries (families), among which:		0	304	1.520		

	Female-headed families		0	91	456	
	Families headed by young people under 30 years old		0	46	228	
	Indigenous families		0	182	912	
<i>A2.0 Increased resilience of health and well-being, and food and water security</i>	2.3 Number of males and females with year-round access to reliable and safe water supply despite climate shocks and stresses, among which:	Household survey	Pre-program assesment	2.375	11.875	Public and private stakeholders continue supporting the microregion developmentAssuming that 50% of the rural smallholder families prioritize the access to water resources, and assuming three public investment systemic project of access to safe water for 1500 additional families  Assuming that at least 500 households implement improved agricultural and livestock practices, which will allow them to improve their food security in periods at risk of climate change impacts
	Number of males		0	1.188	5.938	
	Number of females		0	1.188	5.938	
	Young people (male and female) under 30 years old		0	356	1.781	
	Indigenous people (male and female)		0	1425	7.125	
	Area (ha) of agricultural land made more resilient to climate change through changed agricultural practices	Program M&E reports and records	0	100	500	
	2.2 Number of food secure households in periods at risk of climate change impacts, among which:	Household survey	0	100	500	
	Female-headed households		0	30	150	
	Families headed by young people under 30 years old		0	15	75	
	Indigenous families		0	60	300	
<i>A3.0 Increased resilience of infrastructure and the built environment to climate change threats</i>	3.1 Number and value of physical assets made more resilient to climate variability and change		Pre-program assesment			Assuming 5 public investment systemic projects of adaptation (refer to Annex VII for the assumptions made in the allocation of resources)
	Number of physical assets made more resilient to climate variability and		0	0	5	

	change					
	Value of physical assets made more resilient to climate variability and change		0	0	8,71 Million USD	
<i>A4.0 Improved resilience of ecosystems and ecosystem services</i>	4.1 Coverage of ecosystem protected and strengthened in response to climate variability and change		Pre-program assessment	0	1.222	Assuming projects of afforestation or reforestation: 1222 hectares
<i>M1.0 Reduced emissions through increased low-emission energy access and power generation</i>	1.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced as a result of Fund funded projects	Program M&E reports and records	0	3.410	10.230	Assuming there are 2 public works systemic projects in two micro regions of renewable energy prioritized and 30% of funds for smallholders projects are allocated to renewable energy projects.
<i>M3.0 Reduced emissions from buildings, cities and industries and appliances</i>	3.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided as a result of Fund funded projects	Program M&E reports and records	0	40	140	High uncertainty. As the rest of the targets, these will be adjusted during first year's review of logical framework. A change of light bulbs in a public building, could reach a reduction of 20 tCO2e/y. If it is assumed that 3 projects of this nature could be demanded by the micro regions, a total of 180 tCO2e could be reduced at the end of the project.

M4.0 <i>Reduced emissions from land use, deforestation, forest degradation, and through sustainable management of forests and conservation and enhancement of forest carbon stocks</i>	4.1 Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided (including increased removals) as a result of Fund funded projects	Program M&E reports and records	0	23.695	71.086	Assuming there are 2 public investments systemic projects in two micro regions of reforestation or afforestation prioritized. And assuming 10% of funds allocated to sustainable management of forest or silvopastoral system
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(\*) IT WILL BE PART OF THE BASELINE STUDY TO ASSESS THE EXPECTED CHANGE OF ECONOMIC ASSETS DUE TO IMPACT EXTREME-CLIMATE RELATED DISASTERS AND TO DETERMINE THE BASELINE

### H.1.2. Outcomes, Outputs, Activities and Inputs at Project/Programme level

Expected Result	Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions
				Mid-term (if applicable)	Final	
<b>Project/ programme outcomes</b>	<b>Outcomes that contribute to Fund-level impacts</b>					
A6.0 <i>Increased generation and use of climate information in decision-making</i>	<p>6.2 <i>Use of climate information products/services in decision-making in climate-sensitive sectors, disaggregated by stakeholder</i></p> <p>Level of use of climate information from 1 (little or no use of climate information) to 5 (regular use in decision-making)</p> <p><i>Technical staff and government officials</i></p> <p><i>Rural smallholders</i></p>	Surveys	Pre-programme assessment			<p>Participation and interest of all stakeholders in the proposed trainings (10 workshops, 2 per micro region: 1 for technical staff and local authorities, 1 for organizations of smallholders, on adaptation to climate change, including use of climate information among others). The level of use of climate information derives from a qualitative</p>
				2,5	4	
				2	4	

						evaluation in which knowledge of beneficiaries are evaluated before and after the training.	
<i>A7.0 Strengthened adaptive capacity and reduced exposure to climate risk</i>	<i>7.1 Use by vulnerable households, communities, business and public-sector services of Fund-supported tools, instruments, strategies and activities to respond to climate change and variability</i>	Household survey & in-depth qualitative analysis	Pre-programme assessment				Assuming 60% of smallholders implement adaptive strategies and silvopastoral projects, which also increase resilience of rural smallholders
	Number of rural families implementing directly climate resilient or diversified agriculture or livestock actions, among which:		0	287	1.437		
	Female-headed families		0	86	431		
	Families headed by young people under 30 years old		0	43	216		
	Indigenous families		0	172	862		
	Number of rural smallholder organizations or associations with enhanced capacity to respond to climate change and variability		0	10	50		
	Number of rural smallholder organizations or associations or groups with active women participation		0	5	25		
	Number of rural families benefiting from systemic projects, among which:		0	800	4.000		
Female-headed families		0	240	1.200			
Families headed by young people under 30 years old		0	120	600			
Indigenous families		0	480	2.400			
Average increase in production for smallholders with improved agricultural practices		0	0	6%			
<i>A8.0 Strengthened awareness of climate threats and risk-reduction processes</i>	<i>8.1 Number of males and females made aware of climate threats and related appropriate responses</i>	Programme M&E reports and records	Pre-programme assessment				

	<p><i>Number of rural male and female smallholders made aware of climate threats and related appropriate responses</i></p> <p>Number of males</p> <p style="padding-left: 40px;"><i>Number of female</i></p> <p style="padding-left: 80px;"><i>Number of young people under 30 years old (male and female)</i></p> <p style="padding-left: 80px;"><i>Number of Indigenous people (male and female)</i></p> <p>Number of public technical staff and government officials</p> <p style="padding-left: 40px;"><i>Male staff</i></p> <p style="padding-left: 40px;"><i>Female staff</i></p> <p style="padding-left: 40px;"><i>Young staff (male and female) under 30 years old</i></p>		<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>350</p> <p>245</p> <p>105</p> <p>53</p> <p>210</p> <p>26</p> <p>16</p> <p>10</p> <p>8</p>	<p>1.750</p> <p>1.225</p> <p>525</p> <p>184</p> <p>1.050</p> <p>130</p> <p>78</p> <p>52</p> <p>39</p>	
<p><i>M.6.0 Increased number of small, medium and large low-emission power suppliers</i></p>	<p><i>6.2 Number of households, and individuals (male and females) with improved access to low-emission energy resources</i></p> <p>Number of rural households</p> <p>Number of indirect beneficiaries, among which:</p> <p style="padding-left: 40px;">Male</p> <p style="padding-left: 40px;">Female</p>	<p>Programme M&amp;E reports and records</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>5.480</p> <p>2.740</p> <p>1.370</p> <p>1.370</p>	<p>2.740</p> <p>13.700</p> <p>6.850</p> <p>6.850</p>	<p>Assuming there is a priority in two microregions to choose at least 2 renewable energies public investment systemic projects along with 30% of resources of subcomponent 2.2 allocated to smallholders' associative projects of renewable energies</p>
	<p><i>6.3 MWs of low-emission energy capacity installed, generated an/or rehabilitated, as a result of GCF support</i></p>	<p>Programme M&amp;E reports and records</p>			<p>1 MW</p>	<p>Assuming there are two renewable energy public work systemic projects</p>
	<p><i>M 7.0 Lower energy intensity of buildings, cities, industries, and appliances</i></p>	<p><i>7.1 Energy intensity / improved efficiency of buildings, cities, industries and appliances as a result of Fund support</i></p>	<p>Programme M&amp;E reports and records</p>	<p>0</p>	<p>TBD</p>	<p>TBD</p>

						efficiency project
<i>M9.0 Improved management of land or forest areas contributing to emissions reductions</i>	9.1 Hectares of land or forest under improved and effective management that contributes to CO <sub>2</sub> emission reduction	Programme M&E reports and records	0	0	1.222	Assuming there is a priority in at least 2 microregions to choose afforestation / reforestation projects and silvopastoral systems
<b>Project/ programme outputs</b>	<b>Outputs that contribute to outcomes</b>					
1.1 Local capacity on climate change generated and awareness raised	Number of public staff and government officials trained in climate change, among which:  <i>Female staff</i>  <i>Young staff under 30 years old</i>	Programme M&E reports and records	0	100	130	There is continuous participation and support from the local government, organizations
				40	52	
				30	39	
	Number of public staff and government officials trained in gender perspective, among which:  <i>Female staff</i>  <i>Young staff under 30 years old</i>	Programme M&E reports and records	0	100	130	
				40	52	
				30	39	
	Number of smallholders' organizations or associative groups trained in organizational strengthening	Programme M&E reports and records	0	35	50	
	Number of smallholders' organizations or associative groups with active participation of women trained in organizational strengthening		0	17	25	
Number of smallholders' organizations or associative groups trained in climate change	Programme M&E reports and records	0	35	50		
Number of smallholders' organizations or associative groups with active participation of women trained in climate change		0	17	25		
Number of smallholders' organizations or associative groups		0	35	50		

	trained in gender perspective					
	Number of smallholders' organizations or associative groups with active participation of women trained in gender perspective		0	17	25	
	Number of smallholder trained in climate change, among which:	Programme M&E reports and records	0	250	250	
	<i>Female</i>			75	75	
	<i>Young smallholders under 30 years old</i>			38	38	
	<i>Indigenous</i>			150	150	
	Number of smallholders trained in gender perspective, among which:	Programme M&E reports and records	0	250	250	
	<i>Female</i>			75	75	
	<i>Young smallholders under 30 years old</i>			38	38	
	<i>Indigenous</i>			150	150	
1.2 Micro-regions with enhanced capacity to lead community-based adaptation and mitigation actions	Number of Mitigation and Adaptation Plans (MAP) approved	Programme M&E reports and records	0	5	5	
	Number of Mitigation and Adaptation Plans (MAP) with their Gender Section and their proposals of activities related with gender issues		0	5	5	
	Micro regions with enhanced capacity to design, implement and monitor adaptation and mitigation projects		0	0	5	
	Micro regions with enhanced gender capacity		0	5	5	
	Number of women who receive specifically technical support on adaptation and mitigation technologies and to access grants in each micro region (female-headed families)		0	345	1.725	

	Number of comprehensive and gender-sensitive proposals developed and submitted, with the support of the capacity building activities.		0	14	68	Assuming that 100% of formulated systemic projects of public investment are approved (10), and 1.2 times the number of grants awarded to organizations of smallholders.
2.1 Systemic projects of public investment implemented	Number of grants awarded for systemic projects of public investment	Programme M&E reports and records	0	2	8	
	Number of families living in rural areas benefiting from systemic projects of public investment	Programme M&E reports and records	0	800	4.000	
	<i>Female-headed families</i>		0	240	1.200	
	<i>Families headed by young people under 30 years old</i>		0	120	600	
	<i>Indigenous families</i>		0	480	2.400	
2.2 Adaptation and mitigation projects of organizations of smallholders implemented	Number of grants awarded for adaptation and mitigation projects of organizations of smallholders	Program M&E reports and records	0	10	50	
	Number of grants awarded for adaptation and mitigation projects of organizations of smallholders with active participation of women		0	5	25	
	Number of families living in rural areas benefiting from adaptation and mitigation projects of organizations or groups of smallholders, among which:		0	350	1.750	
	<i>Female-headed families</i>		0	105	525	
	<i>Families headed by young people under 30 years old</i>		0	53	263	
	<i>Indigenous families</i>		0	210	1.050	
	Number of female and male receiving technical assistance and training for the implementation of mitigation and adaptation plans		0	350	1.750	

	Number of female		0	105	525	
	Number of male		0			
	Young people under 30 years old (female and male)		0	53	263	
	Indigenous people (female and male)		0	210	1.050	
	Number of self-managed revolving funds implemented		0	2	10	
	Families benefiting of self-managed revolving funds, among which:		0	83	415	
	Female-headed families		0	25	125	
	Families headed by young people under 30 years old		0	12	62	
	Indigenous families		0	50	249	
<b>Activities</b>	<b>Description</b>	<b>Inputs</b>	<b>Description</b>			
1.1.1 Training workshops on climate change adaptation, mitigation, gender perspective and organizational strengthening	10 workshops on adaptation to climate change and mitigation technologies appropriate to each scale  16 trainings for 30 persons each on gender perspective and organizational strengthening for technical staff and stakeholders  3 workshops (1 per year from year 3 to 5) to analyze women participation in the ongoing processes with all technical staff involved working in the micro regions	\$ 156.600 Local consultants, transportation, venue, general supervision, monitoring				
1.1.2 Learning exchanges on adaptation and mitigation technologies	1 learning exchange (1 for smallholders, 1 for local authorities = in each case, 2 persons per micro region travel to a successful experience = 10 person per MR).	\$ 93.750 Local consultants, transportation, venue, general supervision, monitoring				
1.1.3 Develop and disseminate training and dissemination materials on climate change and grant facility	At least 3 minor publications (flyers, radio, TV spots, others) for building capacity and supporting calls for proposals, and 3 high quality videos for the dissemination of implemented project activities	\$ 84.375 Service contracts, communication specialist, participation of local stakeholders, general supervision, monitoring.				
1.2.1 Micro-regional meetings for establishing institutional agreements on the participative processes and	Training, workshops, and conference: 10 meetings for institutional agreements (2 per micro region)	\$ 61.500 Local consultants, transportation, venue, general supervision, monitoring.				

sharing information on grant facility			
1.2.2 Participative workshops and technical support to micro-regions on access to grants	<p>20 forums (4 per micro region) during the first year</p> <p>45 inter-forum meetings (9 per micro region) during the first year. Assuming transportation for 4 institutional stakeholders</p> <p>2 workshops per micro region to bring technical support specifically for women on adaptation and mitigation technologies and to access grants.</p>	<p>\$ 150.500</p> <p>Local consultants, transportation, venue, general supervision, monitoring.</p>	
1.2.3 Micro-regional adaptation and mitigation assessment and technical support	<p>At least 5 studies (1 per micro region) and environmental and social Impact assessments, considering 1 public work per micro region will be performed</p> <p>Expert support to local technical staff to enhance their capacity on formulating adaptation and mitigation projects</p> <p>Expert support on gender perspective for project formulation and support to women on the field</p> <p>Logistic support for women on the field (to ensure transportation and facilitate their participation in potential formulation activities) and travel expenses</p> <p>At least 1 technical study per micro region</p>	<p>\$ 1.355.000</p> <p>Professional services contracts</p> <p>Local consultants (gender, E&amp;S, project formulation)</p> <p>Transportation, workshop services</p> <p>General supervision, monitoring.</p>	
2.1.1 Awarding and implementation of grants for systemic projects of public investments	At least 8 grants for systemic projects of public investment	<p>\$ 10.407.249</p> <p>Grants, general supervision, monitoring.</p>	
2.2.1 Awarding and implementation of grants for adaptation and mitigation projects for organizations and associations of smallholders	At least 50 grants for adaptation and mitigation projects for small holders	<p>\$ 10.500.000</p> <p>Grants, general supervision, monitoring.</p>	
2.2.2 Awarding and implementation of self-managed revolving funds for adaptation and mitigation projects for organizations and associations of smallholders	At least 10 self-managed revolving funds for adaptation and mitigation projects for small holders	<p>\$ 500.000</p> <p>Grants, general supervision, monitoring.</p>	

## H.2. Arrangements for Monitoring, Reporting and Evaluation

*Besides the arrangements (e.g. semi-annual performance reports) laid out in AMA, please provide project/programme specific institutional setting and implementation arrangements for monitoring and reporting and evaluation. Please indicate how the interim/mid-term and final evaluations will be organized, including the timing.*

*Please provide methodologies for monitoring and reporting of the key outcomes of the project/programme.*

### **Monitoring and evaluation**

UCAR has established procedures for the monitoring and evaluation of the different programmes. In this case, these procedures will be adjusted and up-dated to suit its specific features. The monitoring and evaluation activities will include the following:

#### **- Inception workshop:**

An initial workshop will be organized during the first month of the implementation of the Programme to be attended by the executing parties, the Technical Implementation Unit, the Steering Committee, responsible agents, and UCAR. The workshop will establish the execution and implementation mechanisms, as well as the finalization of the necessary agreements between the different parties to ensure transparency and efficacy in carrying out the Programme. In the inception workshop, the guidelines for the monitoring and evaluation of the Programme will be provided to all relevant stakeholders and the indicators will also be analyzed and discussed with them to ensure appropriation of the M&E System, and the importance to comply with the guidelines provided to learn and ensure the correct follow-up of the Programme. Also, the Gender Action Plan will be presented with its indicators, to guarantee that all the parties involved in the execution of the Programme knows the gender objectives and do an adequate gender monitoring and evaluation. It is expected that at the end of the project, each participant will be able to identify the M&E system requirements, the different indicators, the responsibility of each person in the process of reporting, collecting data, registering the information, elaborating different reports and communicating the progress of the Programme to the different publics.

Models of agreements between the relevant parties can be found in Annex I – Model Contracts. Specifically, during the inception workshops the agreements to be signed are the agreements between UCAR and the ad-hoc associations. The relevant parties that need to be in place will be defined during the participatory processes that have been described in Component 1. However, as the institutional framework of the micro-region, it will be assured that the ad-hoc associations are composed of actors from public, private and scientific-technological sectors that are related to the micro-regions. Besides, agreements will be signed with other public institutions which are present in the micro-regions, e.g. National Institution of Agriculture Technology or the Under-secretary of Family Agriculture, in order to obtain support for the formulation and implementation of the projects. These agreements are exclusively focused on technical cooperation, and thus these institutions will not manage or transfer funds: only expenses derived from their technical work such as travel expenses, materials for training sessions and similar will be covered by the project.

#### **- Registration of information, informatic arrangements and monitoring support**

The M&E sector within UCAR will be responsible for the development of the different registration tools and its dissemination among beneficiaries. Each micro-region will have to comply with a semester report with information about the evolution of the expected outputs and results included in the logical framework, along with a description of the different activities done, difficulties experienced within the period and the evolution of the projects.

Each project financed by the micro-regions will be registered in the Informatics System of UCAR (SIIG Spanish acronym) to allow for a better information, monitoring and evaluation scheme. As mentioned in other sections, specific indicators will also be included to measure each project of the different beneficiaries. In this regard, UCAR will also provide additional support for the correct measurement of each of the indicators included in the projects.

For the monitoring of the counterpart of smallholders, there will be a specific questionnaire, which will register in-kind and cash counterparts made. The in-kind counterpart is usually estimated, according to the market value of the contribution. Therefore, if they work to install the different on-farm investments instead of paying someone professional

service to do it, they register the counterpart as the work-hours and the salary it would have cost.

- **Six-monthly Reports** from the micro-region beneficiaries and **on-site monitoring visits**

The Programme will be monitored by means of six-month evaluations to supervise the progress made from the beginning of its implementation. These evaluations will help identify the lessons learned jointly with the players concerned and the beneficiaries of the Programme. UCAR's authorities and members of the Programme will perform regular visits to the Programme areas based on a schedule agreed in the Annual Work Plan, including the financial monitoring of the implementation.

Each report will include a Gender Section, with special attention to the progress and results of Gender Action Plan implementation and of the indicators refer to women participation included in the logical framework.

- **Annual Reports** to be submitted to the Green Climate Fund:

Annual Reports of the Programme with relevant information about the evolution of the project, progress made towards the achievement of goals, lessons learned, risk assessment, project outputs delivered by the Programme, progress made towards outcome's achievement, expenditure and acquisition reports along with any other relevant information included in the template of the Green Climate Fund. The AE -UCAR-will be responsible for collecting and submitting the annual report to the Fund, according to the template and regulations provided.

- **Annual Gender Reports** to be submitted to the Green Climate Fund:

Each year, the social specialist based in UCAR and the gender expert will register all the information for monitoring the process of participation of women and men. These will include the results of basic indicators and the new ones, provided by the baseline study and the household survey during the first year. The reports will include relevant information about gender issues and lessons learn about women involvement and their participation in climate change activities.

- **Mid-term evaluation**

The Programme will be submitted to an **external and independent evaluation in the middle of its term** of completion, or once half of the funds are allocated. This evaluation will determine the pertinence of the Programme after some time of its implementation, the efficacy of the actions, the efficiency of the activities implemented; and the progress made towards the achievement of the results. It will also identify any required corrective actions that will help the coordination of the Programme to better achieve programmes goals and an efficient allocation of resources. The external review will focus on the progress made to reach the expected results, the status of the institutional arrangements for implementation, and the examination of the action plans.

The mid-term evaluation will include an assessment of the implementation of the Gender Action Plan and, if it is the case, recommendations of the course of action. It is expected to have a mid-term evaluation of Programme's gender strategy.

It is envisaged that there may be a re-definition of prioritized micro regions in the event of delays or issues in the execution of funds in any of the micro-regions prioritized by the Programme.

- **Results Evaluation and Final Report** after termination of the project:

Once the Programme is completed, and within the following six months, an external final evaluation will be conducted to verify the achievement of the expected results and its impact as initially planned or modified by the mid-term evaluation and recommendations. It will also analyze the sustainability of the actions, the effectiveness of the strategies implemented and potentiality to replicate them. The efficacy and pertinence will also be included along with transversal topics such as the impact on women, indigenous families and young people in the area. A special analysis will be fostered in analyzing the contribution of the Programme to the GCF core results identified in the logical framework, specifically those selected after the first year of the implementation of the Programme.

The Final Report will include the data of the results evaluation, which will be done through a household survey and will allow the evaluator to estimate the outcomes achieved, the adaptation and mitigation capacity generated in the community-level and government officials along with the broader impact in the micro-region sustainable development.

The results and final report will include a Gender Section, with the impact results of Gender Action Plan, a thorough analysis on the main gender issues related to climate change and the effectiveness of Programme's gender strategy. Also it will be verify if all the gender indicators and targets were achieved and / or exceeded.

**- Case-studies and qualitative assessments**

It will be promoted within the micro-regions to identify good practices in the management of natural resources, adaptive and mitigation strategies and to document them with participatory systematizations and specific case studies.

Among the case studies, one of them will be on women empowerment and climate change, as a good practice related to Programme's gender strategy.

**- Knowledge management and learning**

The M&E system will ensure the dissemination of information, lessons learned, good practices and all relevant data from the project. A participatory approach will also be promoted, to ensure the ownership of the Programme by all the stakeholders and to promote evidence-based informed policy to government officials.

Activity	Responsible Party	Frequency
Baseline study (household survey)	<ul style="list-style-type: none"> <li>External consulting</li> </ul>	At the beginning of the program
Initial Workshop (IW)	<ul style="list-style-type: none"> <li>TCU</li> <li>UCAR</li> </ul>	1 <sup>st</sup> month of execution
IW Report	<ul style="list-style-type: none"> <li>TCU</li> <li>UCAR</li> </ul>	1 month after the IW
Field visit	<ul style="list-style-type: none"> <li>TCU</li> <li>UCAR</li> </ul>	Every six months
Measurement of proposed indicators to evaluate Programme performance and efficacy	<ul style="list-style-type: none"> <li>UCAR</li> </ul>	Every six months
Technical reports	<ul style="list-style-type: none"> <li>TCU</li> <li>UCAR</li> </ul>	To be defined by the project team
External mid-term evaluation	<ul style="list-style-type: none"> <li>External consulting</li> <li>UCAR</li> </ul>	Halfway implementation
External evaluation upon Programme completion	<ul style="list-style-type: none"> <li>External consulting</li> </ul>	Upon completion of the implementation
Results evaluation (household survey)	<ul style="list-style-type: none"> <li>External consulting</li> </ul>	Upon completion of the implementation
Final report	<ul style="list-style-type: none"> <li>TCU</li> <li>UCAR</li> </ul>	Upon completion of the implementation
Publications	<ul style="list-style-type: none"> <li>UCAR</li> </ul>	To be defined

## I. Supporting Documents for Funding Proposal

- NDA No-objection Letter
- Feasibility Study
- Integrated Financial Model that provides sensitivity analysis of critical elements (xls format, if applicable)
- Confirmation letter or letter of commitment for co-financing commitment (If applicable)
- Project/Programme Confirmation/Term Sheet (including cost/budget breakdown, disbursement schedule, etc.) – see *the Accreditation Master Agreement, Annex I*
- Environmental and Social Impact Assessment (ESIA) or Environmental and Social Management Plan (If applicable)
- Appraisal Report or Due Diligence Report with recommendations (If applicable)
- Evaluation Report of the baseline project (If applicable)
- Map indicating the location of the project/programme
- Timetable of project/programme implementation

*\* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*

To: The Green Climate Fund ("GCF")

Buenos Aires, 07/07/2017

Re: Funding proposal for the GCF by UCAR (Unit for Rural Change) regarding the Programme Climate Action for Rural Development: Community-based adaptation and mitigation in Argentina

Dear Mr. Howard Bamsey,

We refer to the programme "Climate Action for Rural Development: community-based adaptation and mitigation in Argentina" as included in the funding proposal submitted by UCAR to us on June 19<sup>th</sup> 2017.

The undersigned is the duly authorized representative of DNPOIC (National Direction of Projects with International Credit Agencies)/Lic. Agustín Mai, the National Designated Authority/focal point of Argentina.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

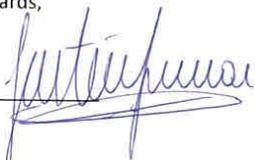
- (a) The government of Argentina has no-objection to the programme as included in the funding proposal;
- (b) The programme as included in the funding proposal is in conformity with Argentina's national priorities, strategies and plans;
- (c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We also confirm that our no-objection applies to all projects or activities to be implemented within the scope of the programme.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



Name:

Title:

Lic. Agustín Daniel Mai  
Director Nacional de Proyectos con  
Organismos Internacionales de Crédito

## Environmental and social report(s) disclosure

<b>Basic project/programme information</b>	
<b>Project/programme title</b>	Climate action for rural development: community-based adaptation and mitigation in Argentina
<b>Accredited entity</b>	UCAR
<b>Environmental and social safeguards (ESS) category</b>	Category B
<b>Environmental and Social Impact Assessment (ESIA) (if applicable)</b>	
Date of disclosure on accredited entity's website	2017-08-24
Language(s) of disclosure	English and Spanish
Link to disclosure	<a href="http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2524-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina">http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2524-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina</a> A simplified impact assessment (ESIA) consistent with the requirements for a category B project is contained in the Environmental and Social Management Framework (ESMF).
Other link(s)	<a href="http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2525-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina-2">http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2525-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina-2</a>
<b>Environmental and Social Management Plan (ESMP) (if applicable)</b>	
Date of disclosure on accredited entity's website	2017-08-24
Language(s) of disclosure	English and Spanish
Link to disclosure	<a href="http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2524-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina">http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2524-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina</a> A management plan (ESMP) consistent with the requirements for a category B project is contained in the Environmental and Social Management Framework (ESMF).
Other link(s)	<a href="http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2525-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina-2">http://www.ucar.gob.ar/index.php/institucional/manuales-reglamentos-y-salvuardas/2525-programme-climate-action-for-rural-development-community-based-adaptation-and-mitigation-in-argentina-2</a>
<b>Resettlement Action Plan (RAP) (if applicable)</b>	
Date of disclosure on accredited entity's website	Not applicable
<b>Any other relevant ESS reports and/or disclosures (if applicable)</b>	
Description of report/disclosure	Not applicable