

## Argentina REDD-plus RBP for results period 2014-2016 Analysis of Risk of Reversal and Buffer estimation

### 1. Risks of Reversal Mechanism and ER achieved in Argentina during the GCF REDD+ RBP Pilot Programme eligibility period for results.

Given that the GCF does not provide a specific guidance on how to estimate the risk of reversal (non-permanence), the AE and Argentina decided applying the *Reversal Risk Assessment Tool* contained in the FCPF's *ER Program Buffer Guidelines*<sup>1</sup>, to the context of the "Argentina REDD-plus RBP for results period 2014-2016" funding proposal (FP). The application of this tool coupled with exchanges and recommendations received from iTAP, allowed for the final evaluation of the risks of natural and anthropogenic reversals presented in this annex, and therefore to **determine the percentage of ERs to be set aside as an interim measure to mitigate the risk of ER reversals** – emission increases - in the GCF REDD+ Pilot Programme eligibility period and during implementation of the FP. This set-aside volume is also referred to as **buffer**.

The FCPF tool was selected as a matter of continuity in the flow of the REDD+ process in Argentina, considering that the FCPF Readiness Fund was part of the key process / projects that supported and promoted REDD+ in the country during the emission reductions results period and beyond (for further information refer to section B.2.2 (viii), D.4 and E.2.1 of the FP and 3.3 of ESA document).

As indicated in Section A of the FP document, within the GCF REDD+ RBP Pilot Programme eligibility period (January 2014 – December 2018) Argentina achieved the following emission reductions. As these are all below the line established by the [Forest Reference Emission Level \(FREL\)](#), they are all considered REDD+ results:

Table 1. REDD+ Results for 2014, 2015 and 2016 (tCO<sub>2</sub>e)

Period	Gross CO <sub>2</sub> Emissions from deforestation	REDD+ Results (2014-2016)
2014	56,732,802	44,409,046
2015	42,135,510	59,006,338
2016	39,384,527	61,757,321
<b>Emission Reduction Total</b>		<b>165,172,705</b>

Source: *REDD+ Technical Annex, Third Biennial Update Report, 2019.*

Table 2. Expected volume of REDD+ results for the period 2017-2018 (tCO<sub>2</sub>e)\*

Period	Gross CO <sub>2</sub> Emissions from Deforestation	REDD+ Results (2017-2018)
2017	45,538,402	55,603,446
2018	47,286,714	53,855,134
<b>Emission Reduction Total</b>		<b>109,458,580</b>

\*These are preliminary estimates, the official volume of gross emissions from deforestation for this period (2017-2018) will be reported in the BUR 4. Source: Ministry of Environment and Sustainable Development, MAyDS (National Directorate of Climate Change, based on information generated by the National Forest Monitoring System of the National Directorate of Forests, MAyDS).

<sup>1</sup> See FCPF's ER Program Buffer Guidelines  
<https://www.forestcarbonpartnership.org/sites/fcp/files/2015/October/DRAFT%20FCPF%20ER%20Program%20Buffer%20Guidelines%20final.pdf>

As also reported in section A of the FP, the increase in emissions from loss of native forests that is visible for 2017 and 2018 (yet below the FREL) is mainly attributable to the impact of forest fires in the Argentine *Espinal* region<sup>2</sup>, mainly caused by land clearing in conjunction with natural phenomena. Component C of the FP is specifically aimed at enhancing the response to forest fires. These actions will be complemented also by activities included in FP Components A and B, which are focused on adopting sustainable practices, addressing the causes of deforestation (including forest fires). National and local response to forest fires will also be strengthened through component D, which include activities to enhance early fire detection systems at national and local level (see section C.2.2 of the FP document for further details). The fluctuation visible in the above mentioned annual forest loss was also influenced by the reduction of the export taxes on grains (especially soybeans) which generated greater allotments of areas for the related land use change (mainly in conservation category III - “green” –of the Forest Law). As a response, the government is fostering the precautionary mechanisms of the Forest Law and its purpose of curbing the causes of greater harm to native forests. The FP will support these efforts, strengthening land and forest governance and therefore contributing to preventing potential openings towards soybean illegal expansion (see FP Sec. C.2.1 and C.2.2.).

The selected tool<sup>3</sup> encompasses the identification of specific indicators for each of the following risk factors:

- Risk Factor A: Lack of broad and sustained stakeholder support;
- Risk Factor B: Lack of institutional capacities and/or ineffective vertical/cross-sectoral coordination;
- Risk Factor C: Lack of long-term effectiveness in addressing the underlying causes; and
- Risk Factor D: Exposure and vulnerability to natural phenomena.

In this framework specific indicators were identified for the context of Argentina and of the FP. The analysis of the Risk Factors is presented in Section 2 of this document. The overall result, meaning the volume to be set aside as an interim measure to mitigate the risk of reversal, is presented in Section 3.

## 2. Analysis of risk factors

Following the selected methodology, a “risk level” (low, medium, high) has been assigned to each indicator and a resulting “General risk level” has been assigned for each factor (low, medium, high). Further to iTAP exchanges, communications and recommendations received through GCF Secretariat, the AE and the Government revised the analysis applying a more conservative approach, by which the General risk level of each factor is given by the highest risk level of the indicators analyzed in the specific factor (instead of the average of the indicators’ risk level, as in the earlier version of the analysis).

The risk analysis presented in the following tables reflects the circumstances identified until October 2020. The analysis embeds iTAP recommendations, such as the need for the indicators to represent the current risk potentially causing the reversal, without applying assumptions of future performance of the FP nor of potential future implementation of strategies and regulations in the country; and for the general risk levels to set aside the maximum volume of ER as an interim measure to mitigate risk of reversal.

The general risk levels and the overall results presented in Section 3, apply for the context of the “Argentina REDD-plus RBP for results period 2014-2016” submitted to the GCF REDD+ RBP Pilot Programme for evaluation at Board 27 (November 2020).

### ***A: Lack of broad and sustained stakeholder support***

**Table 3. Risk assessment summary for Risk Factor A**

Indicator	Comments/rationale	Risk Level
<b>1. Participation of relevant stakeholders in the design of</b>	This indicator reflects on the extent to which relevant stakeholders supported the design of the PANByCC, the identification of the proposed REDD+ actions there included, and - as a consequence - the main components and actions of the FP, which serves as a contribution for the	

<sup>2</sup> Forest Monitoring Report, 2018, MAyDS (<https://www.argentina.gob.ar/ambiente/bosques/umsef>)

<sup>3</sup> *Reversal Risk Assessment Tool* contained in the FCPF’s [ER Program Buffer Guidelines](#)

<p>the <a href="#">National Action Plan on Forests and Climate Change</a>)<sup>4</sup></p>	<p>implementation of the PANByCC.</p> <p>Evidences from the consultation process of the PANByCC (as reported in section C.1.1 (iv), C.1.2 and E.1.3 of the FP; and section 5 of the Social and Environmental Assessment - ESA), as well as from the Forests and Community Project (also reported in section C.1.1 (iv) of the FP and 5 of ESA), indicate a broad participation and support for the design of REDD+ actions. This broad support, is clearly reflected also in the consultation process undertaken in 2020 for the RBP proposal (see section E.1.3 of the FP).</p> <p>In addition to participation during design stage, the risk is considered “low” also taking into account the participation for the implementation of actions related to the reduction of deforestation and degradation of native forests already experienced in the country. The Forest Law main instruments and the related implementation on the ground, such as the Territorial Planning of Native Forests (OTBN), the Forest Law plans (see section 3.2 of the ESA document for details), the Forests and Community Project, are based, built and implemented through a broad participatory process, with the active participation and feedback of relevant stakeholders, according to the description in section C.1 of the FP and in the section 5 of the ESA.</p> <p>Basing on the already experienced and ongoing evidence of highly participatory design and implementation of actions leading to reduction of deforestation and forest degradation, the risk level for this specific indicator is set as “low”.</p>	<p>Low</p>
<p>2. Existence of accessible and effective <b>grievance redress mechanisms</b> to receive and resolve complaints</p>	<p>To prevent conflicts and facilitate the process of addressing claims and complaints within the framework of the native forest policy and the Forest Law (in which framework the PANByCC and the FP are designed and implemented), the following instruments have been in place since 2007 (see also section 6 of the ESA):</p> <ol style="list-style-type: none"> <li>1. Mandatory participatory process for preparing Territorial Planning of Native Forests (OTBN) (see section 3.2 of the ESA);</li> <li>2. Mandatory public consultation for adopting Plans for Land Use Change (PCUS in its Spanish acronym) in low conservation value forests (III - green), and prior authorization of the Local Enforcement Authority for the Forest Law;</li> <li>3. COFEMA, as a political-technical discussion forum at the federal level (and specifically, its Native Forest Committee), for general procedures to implement the Forest Law;</li> <li>4. <a href="#">Buzón Verde</a> (or Green Mailbox): MArDS has enabled this on-line public consultation mechanism that receives queries, complaints and allegations. This site lists the different communication channels and also includes the contact details of each directorate within the MArDS, in case of more specific queries.</li> <li>5. Front Desk of the MArDS: when a query is received at the front desk, a file is opened through the Electronic Document Management System (GDE, in its Spanish acronym) and it is</li> </ol>	<p>Low</p>

<sup>4</sup> The National Action Plan on Forests and Climate Change (PANByCC) is the Argentina REDD+ strategy, submitted to the UNFCCC and [available in the REDD+ webplatform](#).

	<p>redirected to the corresponding area.</p> <p>Additionally, in 2014, the National Directorate of Forests (DNB in its Spanish acronym) of the MAYDS set up the Social Participation Unit (APS-DB, in its Spanish acronym) to address claims related to the implementation of the Forest Law.</p> <p>Furthermore, within the structure of the Forest Law, there are a series of projects that coordinate with one another and create synergies to achieve the goals of the Forest Law and of the pertinent initiatives. Among them, it is worth highlighting the Forests and Community Project, which started in 2015 within the remit of MAYDS. Such project has a claims and complaints redress mechanism called “Mechanism for Managing Claims and Suggestions”, that includes a system for addressing claims at an early stage, giving citizens the possibility of sending queries, making suggestions, filing claims and/or requesting information on the project.</p> <p>Basing on this already existing framework, instruments and GRM, the risk level for this specific indicator is set as “low”.</p> <p>Looking forward, the GRM of the FP (as further detailed in section 5.4 of the ESMF) is being constructed on the strong basis of the existing Forest Law instruments and on the Mechanism for Managing Claims and Suggestions of the Forests and Community Project. It will consider the needs and requirements of all stakeholders who are involved in or may be affected by the project, including indigenous peoples, <i>campesinos</i> and women. At project inception, there will be further definition of roles and responsibilities, as well as operating procedures, for the implementation of the project-level grievance mechanism.</p>	
<p>3. Existence of effective legal frameworks and instruments related to forest tenure assurance of communities at the territorial level</p>	<p>As indicated in section 5.1.1 of the ESA, Argentina's regulatory framework provides an enabling environment for respecting the land access and tenure rights of indigenous peoples and communities that are forest-dependent and live therein.</p> <p>In this regard,</p> <ul style="list-style-type: none"> <li>- the National Constitution, the Civil Code (particularly its amendment set forth in Law No. 26994 / 2014) and the Commercial Code (Law No. 26994) recognize community possession and ownership of the lands traditionally occupied by indigenous peoples;</li> <li>- Law No. 23302 on Indigenous Policy and Support of Aboriginal Communities (O.G. of 8 November 1985), instructs INAI to prepare and implement plans for access to land ownership by the indigenous peoples;</li> <li>- Law No. 26160: emergency law on the possession and ownership of the lands traditionally occupied by the country's original indigenous communities (O.G. 23 November 2006), which, among other things, commissions INAI to carry out a technical-legal-cadastral survey on the ownership status of the lands occupied by indigenous communities and, moreover, to promote relevant joint actions. The Forest Law (Law No. 26331) addresses this safeguard, since it is applicable throughout the national territory based on pre-established criteria, which</li> </ul>	Medium

	<p>prevent the movement of deforestation to other forests under some of the three conservation categories of the law itself, regardless of the jurisdiction.</p> <p>Nonetheless, the risk level for this specific indicator is set to “medium” considering that forest tenure assurance is an area of future enhancement and that a Community Property Law is still necessary, establishing the minimum guidelines for a more effective implementation of said rights. On this basis the specific risk level is set to Medium.</p>	
<p><b>4. Maintenance or improvement of participants income and/or production levels in the long term</b></p>	<p>Poverty rates in rural Argentina are significantly higher than in the country’s urban areas. In the rural areas, the population may have a relatively high dependence on forests for their livelihood.</p> <p>The 2010 national census indicated that the departments with native forests account for 63.5% of the total population with unmet basic needs (UBN) and 89% of the rural population with UBN. Also, it is estimated that in 71.2% of the districts with native forests, the UBN percentage goes over the national average, which is 12.4%.</p> <p>Considering this very high rate of population with UBN the risk level of a negative impact on forests (degradation or deforestation) as a consequence of the need of income generation is high.</p> <p>It also to respond to this context that the PANByCC, and the REDD-plus results based payment proposal, seeks to implement activities that reduce emissions from deforestation and forest degradation in a way that contributes to the reduction of rural poverty. The recognized importance for enhancement of livelihood and living conditions of communities in forest regions is reflected in the funding proposal itself which, in full alignment with the framework of the Forest Law (No. 26331) and reinforced by the results of the consultations with key stakeholders, identified and prioritized a package of measures equipping communities with tools, knowledge and market opportunities to boost their economy and income, avoiding “income-led forced migration”, promoting conservation, sustainable use, and regeneration of native forests, enhancing the possibility of sustainability and continuation beyond the life span of the project.</p>	High
<p><b>5. Existence of adequate benefit distribution mechanisms</b></p>	<p>The Forest Law provides for a benefit sharing mechanism, which includes the following:</p> <ul style="list-style-type: none"> <li>- 30% to Provincial (Local Enforcement Authorities - ALA) allocation according to forest area and conservation category for technical, control and oversight capacities strengthening;</li> <li>- 70% to land owners, implementation of Forest Law Plans (see section 3.2 of the ESA).</li> </ul> <p>Despite this existing legal framework and benefit distribution mechanism, and despite the regulatory improvements and experiences developed by the MAyDS to favor indigenous and local communities as beneficiaries, it is recognized that further efforts should put in place and implemented to continue increasing their participation as beneficiaries of the Forest Law and its plans (interventions on the ground/territory).</p>	Medium

	<p>On this basis and recognition the specific risk level for this indicator is set to “medium”.</p> <p>Looking forward, for the implementation of the FP, a specific benefit distribution mechanism was presented to the Federal Environment Council (COFEMA) on 4 March 2020. In that occasion COFEMA unanimously decided “to support the benefit-sharing proposal submitted by MAYDS for the allocation of Funds, prioritizing the implementation of the strategic technical guidelines of Law No. 26331, included in the National Action Plan on Forests and Climate Change as strategic and operational pillars, as follows: 70% allocated to the regional / provincial levels and 30% to national strategies” (Art. 2 Minutes of COFEMA meeting, 4 March 2020). See section E.1.3 of the FP; 7.1.1 and annex III of the ESMF for further reference.</p>	
<b>General Risk Level of Risk Factor A</b>		<b>High</b>

***B: Lack of institutional capacities and/or ineffective vertical/cross sectoral coordination***

**Table 4. Risk assessment summary for Risk Factor B**

Indicator	Comments/rationale	Risk Level
1. Existence of <b>institutional capabilities for PANByCC implementation</b>	<p>Since the enactment of the Forest Law in 2007, the institutional capabilities of the MAYDS (National Enforcement Authority of the Forest Law) and of the Local Enforcement Authorities at the provincial level, have been increasing with continuity, including the technical, control and oversight capacities. Administrative institutional capacities are also in place– i.e., the technical-bureaucratic skills required to implement its objectives-, emphasizing the availability of the necessary financial resources to carry out its functions; set-up and legal powers that provide relative security with respect to its continuity and give it sufficient authority to carry out said functions; and the technical capacity of its staff to implement the activities of the four components.</p> <p>Some evidences of the existing capacities come from:</p> <ul style="list-style-type: none"> <li>- Successful completion of the Warsaw framework for REDD+, and related submissions of all REDD+ elements to the UNFCCC (<a href="#">REDD+ WebPlatform</a>; see also <a href="#">UN-REDD blog article</a>);</li> <li>- Achievements of ER results in period 2014-2016, for which the implementation of the Forest Law, through national and local capacities, had a significant contribution (see section 1 of the ESA and section B.2.2 (viii) of the FP). The implementation of the Forest Law was (and continue to be) enabled by national and local capacities to implement actions aimed at reducing deforestation and forest degradation;</li> <li>- 2017 Management Report of the Office of the National Auditor-General (AGN, 2017<sup>5</sup>), which clearly states: “progress was made with the institutional organization compared to what was reported in AGN 38/2014<sup>6</sup>. The internal structure of the DNB within the MAYDS is appropriate for the foreseen functions to implement Forest Law”;</li> </ul>	Low

<sup>5</sup> AGN, 2017. Audit on implementation of Law 26331 on Minimum Environmental Protection Standards for Native Forests. Period July 2013-December 2016, p. 36.a

<sup>6</sup> AGN 38/2014 audited the period 2007-2013

	<ul style="list-style-type: none"> <li>- Further achievement of ER results in 2017-2018. Despite fluctuations in deforestation in fact, the country continued to maintain the ER below the benchmark established by the FREL, therefore continuing to obtain REDD+ results. Basing on preliminary estimates ER results for the period 2017-2018 equal to 109 million tCO<sub>2</sub>e (see section 1 of this Annex).</li> </ul> <p>Basing on the existing capacities, the risk level for this specific indicator is set as “low”.</p> <p>Looking forward: the already existing capacities and institutional framework, combined with the continued boost for constant enhancement and political support represents a sound basis to continue addressing drivers of deforestation and implementation of the PANByCC, as well as all the projects (including the FP) that contribute to it. The government of Argentina at national and provincial level together with key stakeholders will be able to carry out the necessary actions to implement and operate the PANByCC, including the FP which contributes to it, and to sustain its results upon completion to ensure a long-term mitigation benefit after project closure.</p>	
<p><b>2. Experience in policies and programmes development of similar complexity and financial entity to the one of the REDD+ RBP</b></p>	<p>Argentina has experience in developing and implementing policies and programmes with regard to the forest sector and land use planning (see section 3 of the ESA). In the area of native forests, and of similar complexity to the REDD+ RBP, it is worth mentioning the Forests and Community Project which started in 2015 and is currently in implementation, with a high level of participation at territorial level.</p> <p>Broadening up to other initiatives related to environmental policies, the country developed its NDC within the context of the Paris Agreement, also its forest sector plan (PANByCC), and is currently developing its long-term strategy (LTS). The National Plan for <a href="#">Forest Management with Integrated Livestock</a>, it also worth of mention. This Plan, currently in implementation, meets the strategic objectives set out in the Inter-institutional Coordination Agreement between MAyDS and the National Ministry of Agriculture, Livestock and Fisheries (MAGyP).</p> <p>Although solid and in continuous improvement, the experience in programmes of similar complexity and financial entity could be (and will be) further enhanced in the future. On this basis, the risk level for this specific indicator is set to “high”.</p>	High
<p><b>3. Experience in intersectoral cooperation</b></p>	<p>Implementation of REDD+ activities, and the achievement of ER results, goes beyond forestry sector alone and always call for cooperation and coordination across different relevant land-use sectors. A constructive cooperation among stakeholders, institutions and programmes is essential.</p> <p>Key evidences of existence and experience of such intersectoral cooperation in Argentina come from the following:</p> <ul style="list-style-type: none"> <li>- <b>Establishment and implementation of the Technical Agreement for the <a href="#">Forest Management with Integrated Livestock</a></b> (section C.2.2 of the FP for further details). The</li> </ul>	Low



Agreement was signed in 2015 between MAgDS and MAgPy, with a view of addressing incompatibilities between livestock farming and the preservation of forest integrity; the Agreement is still in force and operation, in consistency with the Forest Law. The purpose of the agreement was (and continues to be) the establishment of intervention thresholds in native forests for livestock-forestry systems, to ensure the continuity of forest ecosystem services through best practices; harmonize development policies of both the above government portfolios; and ensure synergy of available development instruments for livestock programs, the FNECBN and other sources. To boost and continuously foster cooperation across sectors, a National Technical Committee was created, made up of the responsible areas in each ministry (MAgDS and MAgPy) as well as in the National Institute of Agricultural Technology (INTA). Ten of the country's provinces signed voluntary agreements for the implementation of a National Forest Management Plan with Integrated Livestock. The ten provinces are from the forest regions of *Parque Chaqueño* and the Andean-Patagonian Forest, where there is the most widespread presence of livestock and the highest number of silvopastoral undertakings.

- **Design and implementation of the Forests and Community project**, through which Integral community plans (PICs in its Spanish acronym) have been established in a highly participatory manner and joining forces from different sectors, institutional arrangements between Forest Directorates at provincial level and Land-use Institutes and other State agencies (for further details see section 5 of the ESA and section C.1.1 (iv) of the FP) as well as through technical support from the other public sector (INTA and the Family Agriculture Secretariat of MAgPy) and NGOs. After 5 years of project implementation, the Consultative Councils (where Provincial Forest Directorates, Peasant Organizations, Indigenous Participation Councils (CPI), Family Agriculture Secretariat, INTA participate, among others), became spaces for articulation and coordinated work.
- **Formalization and operationalization of the [National Climate Change Cabinet](#) (GNCC, in its Spanish acronym)**. The GNCC was formalized through Law No 27520 on Minimum Standards for Global Climate Change Adaptation and Mitigation (O.G of 20 December 2019). GNCC works within the remit of the Chief of Cabinet Minister, and the Secretariat of Climate Change, Sustainable Development and Innovation is the technical coordinator. The main function of the GNCC is to coordinate - with different government areas of the National Public Administration- the implementation of the National Action Plan on Climate Change Adaptation and Mitigation, and all the public policies related to standards established in the Law, such as to foster the emission reduction strategies and reduce the human and ecosystem vulnerability to climate change. The work of the Cabinet is based on the different government levels and has participatory bodies in which the annual work plan is discussed



	<p>and priorities are established. Within the GNCC, a specific thematic group has been set up, and is operationally active, to jointly coordinate the sectoral actions for climate change mitigation and adaptation in the Agriculture, Forestry and Other Land-Uses Sector. This thematic group is co-coordinated by MAGyP and the DNB of the MAYDS.</p> <p>Basing on the existing experience, agreements, mechanisms and fora, the risk level for this specific indicator is set as “low”.</p> <p>Looking forward, it is important to note that the FP has been developed basing on lessons learnt and taking best benefit from all the above mentioned already existing structures, consultative councils, fora and agreements.</p>	
4. Experience in <b>collaboration at different government levels.</b>	<p>Argentina is a federal state, agreements between the provinces and the central administration, i.e. MAYDS, for the institutionalization of climate actions, projects and programmes throughout the national territory is necessary, and it is an ongoing practice. In this context:</p> <p><b>Federal Environment Council (COFEMA)</b> is a key forum worth of special mention, which was created in 1990, and is a federal forum to agree on environmental policies and their implementation at provincial level. It comprises representatives from the federal government, the provinces and the Autonomous City of Buenos Aires. Within the remit of COFEMA representatives of jurisdictions generate agreements on the design and implementation of environmental policies between provinces and the national government on the legal basis of resolutions and recommendations, including specific resolutions on various instruments related to the implementation of the Forest Law. The main agreements reached therein can be <a href="#">publicly accessed</a>. COFEMA has a Native Forest Committee and a Climate Change Committee. See section 3.2 of ESA for details on collaboration between Local Enforcement Authority (ALA) and national enforcement authority (ANA) on the implementation of the Forest Law, establishment of Territorial Planning of Native Forests, decision making on the Forest plans (intervention in native forests).</p> <p>All the <b>work undertaken in the framework of REDD+ readiness</b>, including the development of the PANByCC, NFMS, and SIS, led to fostering and creating spaces for collaboration between the different levels of government with, and through COFEMA. In addition, the PANByCC SSP1 on <i>Strengthening governance</i>, seeks to continuously strengthen interinstitutional, interjurisdictional and interdisciplinary coordination and actions, as well as increase the efficiency of implementing the legislation in force.</p> <p>Worth of specific mention is also the <a href="#">Federal Fire Management System</a> (SFMF, in its Spanish acronym), Law No. 26815, with the main objective to “prevent, pre-suppress, and fight forest and rural fires (...) in native forests and other non-urban ecosystems” <b>with three operational levels</b>: jurisdictional (province), regional and extra-regional. MAYDS is the enforcement authority of the SFMF throughout the country, responsible for operational firefighting response actions. This mandate was transferred from the Ministry of Security to MAYDS</p>	Low

	<p>through Decree 706/2020 in August 2020. This transfer allows for enhanced coherence between forest prevention policies and enforcement, as well as for enhanced coordination, contributions and collaboration with provincial jurisdictions through the COFEMA (see FP section C.1 (vi) for further details).</p> <p>Basing on the existing experience, the risk level for this specific indicator is set as “low”.</p>	
<b>General Risk Level of Risk Factor B</b>		<b>High</b>

*C: Lack of long-term effectiveness in addressing the underlying causes*

**Table 5. Risk assessment summary for Risk Factor C**

Indicator	Comments	Risk Level
1. Experiences of deforestation and forest degradation disassociation in relation to <b>economic activities</b> .	<p>Increases in commodity prices or exchange rate fluctuations may lead to annulling decisions concerning protected areas. This risk is higher in <i>Parque Chaqueño</i> region, where deforestation prevails due to soybean and other agriculture expansion as well as unsustainable livestock practices.</p> <p>Fires, and inefficient fire management practices, contribute to the land-use change caused by livestock or agriculture in the country. The Sistema Nacional para la Gestión Integral del Riesgo (SINAGIR) recognizes that 95% of the forest fires in Argentina are linked to human negligence that – in conjunction with natural phenomena (such as drought, wind, temperature), lead to forest fires. Such negligence includes cigarettes, badly extinguished campfires and un-controlled fire for preparation of land for grazing. More details of the impact of fire on native forests are reported in sub-section “Actions to address the risks of reversal” of the Funding Proposal.</p> <p>The combination of the high relevance of economic activities that could led to deforestation such us agriculture expansion and unsustainable livestock practices, and fire inefficient and practices that can go out of control, make the risk level of this indicator “high”.</p> <p>To avoid and mitigate this risk within the PANByCC/REDD+ Strategy there are a series of Strategic Operational Pillars (SOP 6, SOP 7 and SOP 10) regarding land-use planning, sustainable forest management and forest fire prevention, respectively; which also have associated mitigation measures that contribute to NDC. The REDD-plus results based payment will contribute to the implementation of some of these pillars.</p>	High
2. Existence of a legal and <b>regulatory context</b> that is conducive to REDD+ goals.	<p>As also indicated in the ESA document (sections 3 and 7), Argentina has a solid legal framework, conducive to achieving REDD+ results and goals.</p> <p>The National Constitution (Art. 41) establishes the legal basis for the country’s environmental policy, and some specific laws (for example: Law No. 26331 on Native Forests, Law No. 25675 “General Law on the</p>	Low

	<p>Environment”, Law No. 27520 on Minimum Standards for Global Climate Change Adaptation and Mitigation; Law No. 22351 on National Parks; Law No. 26815 on Minimum Environmental Protection Standards for Forest and Rural Fires), specifically contribute to promoting a reduction in deforestation and forest degradation, whilst fostering conservation (including biodiversity) and sustainable management of forests and other natural resources for the sustainable development of the country.</p> <p>The Forest Law and its regulations are the guiding framework for REDD+ in the country, and its implementation has significantly influenced the results in emissions reductions achieved in 2014-2016 based on avoided deforestation (see ESA, section 1 and 3.2).</p> <p>Although it is recognized that ER results in 2017-2018 are of lower extent than those in 2014-2016 (see section 1 of this document), all the emissions during the GCF REDD+ RBP Pilot Programme eligibility period for results are below the benchmark established by the <a href="#">FREL submitted to the UNFCCC</a>.</p> <p>On the basis of the evidences, the existence and effective implementation of this legal framework is conducive to REDD+ results and the risk of this specific indicator is set to “low”.</p>	
<b>General Risk Level of Risk Factor C</b>		<b>High</b>

**D: Exposure and vulnerability to natural phenomena**

**Table 6. Risk assessment summary for Risk Factor D**

Indicator	Comments	Risk level
1. Propensity and vulnerability to forest fires	<p>Strategic Operational Pillar 10 (SOP 10) of the <b>PANByCC</b> seeks to improve forest fire prevention capacities.</p> <p>To prevent and mitigate this risk of reversal, one of the goals of the Forest Law is to conserve, regulate and control the reduction of native forest areas in the country through institutions and tools to minimize or avoid the risk of emission reversal.</p> <p>For forest fires specifically, the Law establishes a Federal Fire Management System (SFMF) to “prevent, pre-suppress and fight forest and rural fires (...) in native forests and other non-urban ecosystems”. The country also has Law 26815 on <i>Minimum Environmental Protection Standards against Forest and Rural Fires</i> (O.G. of 16 January 2013) to prevent and combat forest and rural fires in native and planted forests, protected natural areas, agricultural areas, grasslands and other areas.</p> <p>There are also other elements of Argentina’s regulatory framework which support forest fire prevention and control:</p> <ul style="list-style-type: none"> <li>- National Penal Code of Argentina (Law No. 11179): causing fires in forests, plantations, trees or bushes, among others, is a criminal offense with a prison term of three to ten years (art. 186);</li> <li>- Forest Law 26331 states that native forests degraded by fire or other natural or anthropogenic events must be recovered and restored</li> </ul>	High

via local authorities, and it is necessary to maintain the forest category defined in the OTBN (art. 40), as a measure to avoid speculation or intentional forest fires to enable land-use changes; and

- Law No. 26562 (O.G. 16/12/2009) on Minimum Environmental Protection Standards to Control Burning Activities, aimed to prevent fires, environmental damage and risks to public health and safety. In accordance with this, burning activities without specific authorization by local competent authorities are prohibited throughout the national territory (art. 3). Penalty fines are established. Regulation of this Law is still pending. However, this Law is in force and it is part of the legal framework regarding burning activities control.

The relevant **institutional framework** to respect this safeguard mainly includes:

- **MAYDS** is the enforcement authority of the SFMF throughout the country, responsible for operational firefighting response action. It should be noted that this mandate was transferred from the Ministry of Security to MAYDS through Decree 706/2020 in August 2020. With this mandate the MAYDS is the responsible authority for operational firefighting. This transfer allows for enhanced coherence between forest prevention policies and enforcement, considering the MAYDS is the authority in charge of the Forest Law. Additionally, it allows for an enhanced coordination, contributions and collaboration with provincial jurisdictions through the COFEMA.
- *DNB under MAYDS* is the enforcement authority of the Forest Law responsible for managing Argentina's NFMS. Within the framework of the SFMF, DNB is responsible for fire prevention, monitoring of environmentally hazardous conditions and recovery of burnt areas;
- *DNCC under MAYDS*: DNCC is responsible for the National Greenhouse Gas Inventory System (SNI-GEI-AR, in its Spanish acronym) and for calculating, compiling and reporting the inventory to UNFCCC, as well as monitoring of NDC mitigation measures, among others;
- **National Parks Administration**: with competence in the SFMF, it is responsible for prevention in the areas under its jurisdiction.

It is worth highlighting that, during the Results Period, some of the resources of the Forest Law Fund (FNECBN) were allocated to improve the SFMF in different jurisdictions.

The *National Forest Statistics Programme* of the DNB under MAYDS keeps and publishes Forest Fire Statistics since 1993. Such statistic reports the information per year and per department (which is the smallest administrative unit in Argentina), however it does not differentiate the exact number of hectares burnt due to anthropogenic causes from those due to natural causes. The statistics counts on the number of fire outbreak (*focos de incendios*) and reports the total area burnt, but it does not differentiate the hectares burnt due to natural causes from those burnt due to anthropogenic causes. The Sistema Nacional para la Gestión Integral del Riesgo (SINAGIR) recognizes that

	<p>95% of the forest fires are linked to human negligence that – in conjunction with natural phenomena (such as drought, wind, temperature), lead to forest fires. Such negligence includes cigarettes, badly extinguished campfires and un-controlled fire for preparation of land for grazing.</p> <p>According to MAdS records, since 2004 the surface area of native forests affected by forest fires has been reduced (by 92% compared to 2003), with a slight rise in 2012, which was then reduced in the Results Period, when forest fires affected 456 440 ha of native forests. Part of this reduction could be due to the substantial efforts to combat forest fires with support of the Forest Law. Some of the measures used by local authorities to combat forest fires include the installation of water tanks (AGN, 2019) and firebreaks maintenance in key locations, together with establishing and reinforcing firefighting brigades, among others (MAdS, 2016).</p> <p>While recognizing the benefit and contributions of the measures implemented and the work carried out so far with respect to the prevention and control of forest fires, it is acknowledged that the risk level corresponds to "High".</p>	
2. Propensity and vulnerability to tropical cyclones	Tropical cyclones are not frequent in Argentina, whereby this risk factor is low.	Low
<b>General Risk Level of Risk Factor D</b>		<b>High</b>

### 3. Resulting percentage of volume to be set aside to mitigate the risk of reversal

Following up from Section 2, the general risk levels and the overall results presented in Section 3, apply for the context of the “Argentina REDD-plus RBP for results period 2014-2016” submitted to the GCF REDD+ RBP Pilot Programme for evaluation at Board 27 (November 2020). Within the context and considerations mentioned above and in the previous sections, the result of the analysis (Table 7) identifies the need to set aside **40% of the ERs offered to the GCF REDD+ Pilot Programme** (see section A and C.2.4 of the FP) **as an interim mechanism to manage risks of reversals**.

**Table 7. Percentage of expected reductions**

Risk Factor	Risk indicators	Default percentage	Discount	Resulting percentage
<b>Default risk</b>	Does not apply, fixed minimum amount.	10%	Does not apply	10%
<b>A. Lack of broad and sustained stakeholder support</b>	<p>-Participation of relevant stakeholders in the design of emission reduction programmes (PANByCC in Argentina).</p> <p>-Existence of accessible and effective grievance redress mechanisms to receive and resolve complaints.</p> <p>-Existence of effective legal frameworks and instruments related to forest tenure assurance of communities at the territorial level.</p> <p>-Maintenance or improvement of</p>	10%	The risk is considered high: 0% discount	10%

Risk Factor	Risk indicators	Default percentage	Discount	Resulting percentage
	participants income and/or production levels in the long term. -Existence of adequate benefit distribution mechanisms.			
<b>B. Lack of institutional Capacities and/or Ineffective vertical/cross sectoral coordination</b>	- Existence of institutional capabilities for PANByCC implementation. -Experience in policies and programmes development. -Experience in intersectoral cooperation. -Experience in collaboration at different government levels.	10%	The risk is considered high: 0% discount	10%
<b>C. Lack of long term effectiveness in addressing underlying causes</b>	- Experiences of deforestation and forest degradation disassociation in relation to economic activities.. -Existence of a legal and regulatory context that is conducive to achieving REDD+ goals.	5%	The risk is considered high: 0% discount	5%
<b>D. Exposure and Vulnerability to natural phenomena</b>	-Propensity and vulnerability to forest fires. -Propensity and vulnerability to tropical cyclones.	5%	The risk is considered high: 0% discount	5%
<b>Percentage to set aside: 10+ (Result A+ Result B+ Result C+ Result D)</b> <b>= 10+(10+10+5+5)</b> <b>= 40%</b>				

After GCF B.27 decision on approval of the “Argentina REDD-plus RBP for results period 2014-2016” this volume will be clearly identified in the [REDD+ registry](#). As indicated in FP section A and F, the country will use REDD+ results attained across Argentine territory (including the volume of ERs set aside as a mechanism to manage the risk of reversal in the framework of this RBP) to meet its NDC within the context of UNFCCC and the Paris Agreement.