

Luxembourg, 20.09.23

Environmental and Social Data Sheet

Overview

Project Name:	<i>PROVINCIAL AGRICULTURAL SERVICES PROGRAMME FL</i>
Project Number:	<i>2023-0168</i>
Country:	<i>ARGENTINA</i>
Project Description:	<i>A framework loan to Argentina to support climate action projects that facilitate the adaptation of agricultural production to market demands and promote the increase in added value of the sector's productive value chains.</i>
EIA required:	Some of the schemes may require an EIA
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The project consists of three main components, and will be co-financed by EIB and IDB²:

- Component 1: a tentative pipeline of 22 sub-projects, from which 13 to irrigation modernization and the rest to several rural infrastructure schemes (roads, electricity, supply chain, fire protection and research)
- Component 2: services to support the modernization, competitiveness and sustainability of the agro-industrial sector, including sustainable agro-industrial production systems, promotion of private investments and sustainable management of landscapes. In more detail, this component will finance 12 management plans for which clearly identify strategies for the conservation of environmental goods and services in planning to improve the productive activity of a set of small and/or medium agro-industrial establishments, on a landscape scale, but also 65 calls to improve sustainable performance (pumps, solar panels, machinery, drippers, agtech) and nearly 2 000 trainings and technical assistances to implement food labels, quality management, export capabilities, digitalization, management software.
- Component 3: consultancy, engineering and support to project implementation

The Promoter is the General Directorate of Sectorial and Special Programs and Projects (DIPROSE), under the Secretariat of Agriculture. The execution of Component 1 will be decentralized, through subsidiary loan framework agreements with the provinces. Components 2 and 3 will be executed centrally from DIPROSE.

DIPROSE is an experienced promoter in terms of governance and risk management of environmental and social matters. DIPROSE has an Environmental and Social Team (EAS) and environmental and social management procedures in place. For this operation, a draft Environmental and Social Management System (ESMS) has been prepared by DIPROSE, the draft is aligned with the EIB's Environmental and Social principles. The formal approval by EIB will take place as a contract condition once the final version available. In addition, a Technical

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

² IDB – Interamerican Development Bank



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Assistance facility will be made available from the EIB/IDB loan to cover specific environmental, climate and social studies and support to implementation.

The environmental authority in the country is the Secretary of Environment and Sustainable Development (Federal Secretary), under the Federal Government. The provinces have their own environmental authorities, which, along with the Federal Secretary, compose the Environmental Federal Council³. The provincial environmental authorities will issue the environmental decisions, certificates, permits or licenses, relevant for the implementation of the projects under this framework loan. All projects must therefore comply with the respective requirements of provincial and national legislation on environmental and social matters, as well as with the EIB E&S standards (project condition).

The ESIA (Environmental and Social Impact Assessments) will be prepared by the provincial governments with the assistance of DIPROSE EAS, in line with the Environmental and Social Management Framework (ESMF) in place for this operation and will be part of the documents that will be required by the EIB for ex-ante review/approval at project allocation stage (project condition).

Based on the limited information available about the tentative investment pipeline, it is estimated that the potential sub-projects would have a low to moderate environmental impact. This would be further assessed at project allocation stage. In particular, irrigation sub-projects are expected to have an overall positive effect on environment, contributing to net water savings within existing irrigation infrastructures through improved efficiency, as well as to climate change adaptation (enhanced resilient infrastructure) and mitigation (improved carbon sequestration in biomass and soil). Specifically, tentative irrigation sub-projects can be divided at this stage in three groups: (i) sub-projects enhancing water savings through infrastructure modernization; (ii) sub-projects reinforcing resilience and adaptation to climate change, improving the guarantee of service; (iii) Schemes combining modernization and improvements with expansion of cultivated and irrigated land. At allocation stage the eligibility of these sub-projects will be assessed (contractual condition), based essentially upon: (a) River Basin Management Plans or equivalent acceptable water management and planification documents, where relevant stakeholders have been consulted and a broad agreement has been reached and where long-term sustainability of water supply and quality, among others, are proven to satisfaction of the Bank (b) sub-projects shall focus on rehabilitation and refurbishment of existing irrigation schemes in a way that the overall Programme results in a net decrease in water abstraction from the environment, an improvement in water productivity and a depollution of the downstream areas (c) expansion of irrigated areas should only include areas designated as agricultural land and where the status of the affected water body has not been identified as less than good in the relevant river basin management plan or similar acceptable document

Other sub-projects, like the germplasm bank (to be compliant with EIB restrictions on genetically modified organisms GMOs) or the activities to enhance fire protection, are expected to enhance resilience of ecosystems, enabling Climate Adaptation. Activities related to improving productive landscapes through sustainable management practices are expected to positively contribute to Environmental Sustainability objectives. Finally, sub-projects regarding rural roads, electrification, digitalisation or capacity building, are estimated at this stage to be neutral or with a low mitigated environmental impact, which will be confirmed as per EIB approval of the request for allocation once all the required documentation made available to the Bank.

In terms of physical climate change risks, the sub-projects are exposed to risks such as water availability, increase in temperatures, flood or decrease in precipitation. A Climate Risk Vulnerability Analysis will be requested at allocation stage (project condition) and the detailed designs will have to take into consideration the adapted activities needed to mitigate the identified risks.

EIB Carbon Footprint Exercise

³ Consejo Federal de Medio Ambiente (COFEMA), created under the National Environmental Policy



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Through its various supported sub-projects, it is estimated that the operation will lead to reduction of greenhouse gas emissions compared to the baseline, mainly because of improvement in water management, wildfire enhanced protection and sustainable landscape management.

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR): Focus Area 1 (Building greater resilience to climate change), Focus 7 (Protecting Nature) and Focus 8 (Farm to Fork). The sector is eligible as per the CBR: *Rural infrastructure (e.g. modernisation of irrigation schemes) and machinery promoting resource efficiency, waste minimisation and/or low/neutral carbon intensity.*

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty (DIPROSE) is not in scope of the PATH framework (public entity).

Social Assessment,

At the current pre-/feasibility stage, some of the tentative pipeline sub-projects might require land acquisition (not eligible for EIB financing) and servitude rights. A Resettlement Policy Framework (RPF) has been drafted. Also, archaeological findings might be identified at design phase. Compliance with EIB E&S Standards, and particularly with EIB Standards 2 (Stakeholder Engagement) and 6 (Involuntary Resettlement) and 10 (Cultural Heritage), will be a continuous project undertaking.

A gender and diversity rapid assessment for the PROSAP was undertaken by the Inter-American Development Bank in April 2023. The assessment provides an overview of women's role in the agriculture sector in the provinces that PROSAP will be implemented in, an assessment of the promoter capacity in assessing and addressing gender risks and seize opportunities for positive impact. The promoter's capacity to look at gender aspects, according to the rapid assessment conducted by IDB, is sufficient.

Informed by the rapid assessment, the promoter will design Sustainable Management Plans particularly for Productive Landscapes diagnostics as well as Gender Action Plans for each infrastructure investment with a view to identify potential gender risks, gaps and opportunities for positive impact on gender equality, intercultural diversity, youth and disability and ensure the participation of women in the program's actions. This is reflected in EIB undertakings and monitored through relevant indicators.

With the above provisions, the project is expected to deliver a significant Gender contribution.

Public Consultation and Stakeholder Engagement

The drafts ESMF and RPF is being consulted with relevant stakeholders and once finalized will be published on the promoter websites. ESIA reports will be made publicly available. The provincial authorities will ensure that stakeholder engagement and public consultations are carried out and report the results to the enforcement environmental authority, who issues the environmental permits. Promoter shall provide to the Bank the ESIA's, conclusions of public consultations and Stakeholder Engagement Plans (SEPs) inclusive of Grievance mechanisms at allocation stage, for ex-ante review/approval (project condition).

Other Environmental and Social Aspects

Overall, the outcome of the operation is expected to be beneficial to the rural population, improving their livelihoods and enabling resilience towards the negative effects of Climate Change, specifically in water availability for irrigation and food security.



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The project will implement a Gender Action Plan that will be aligned with EIB Standards. It will include the preparation of gender diagnoses with evaluation of existing gender gaps and the preparation of a proposal for cross-cutting gender intervention, to ensure the participation of women in the Program's actions, according to the characteristics of each component.

Conclusions and Recommendations

Given the nature of the operation (framework loan), the environmental and social impacts and mitigants will be evaluated at allocation stage. The Bank will require the Promoter to implement the sub-projects in compliance with the EIB Environmental and Social standards (project condition).

The Promoter shall provide the Bank proof of no negative impacts on biodiversity or that the appropriate mitigation measures are being taken according to the applicable national law, and with the principles of EU biodiversity strategy.

Conditions for first allocation:

- The draft version of the ESMS will have to be approved by EIB in its final version, following EIB E&S Standards.
- The Promoter commits to update, if required by the bank, an Environmental and Social Management Framework (ESMF) as well as Resettlement Policy Framework (RPF), Labour management Procedures (LMP) and Stakeholder Engagement Plan (SEP) including the Grievance Mechanism (GM) aligned with the EIB Environmental and Social standard.

Conditions for all subsequent allocations:

- The Promoter shall seek ex-ante the Bank's approval and allocation of the schemes to be financed above EUR 5m, on the basis of project fiches that shall contain, among others, all the Environmental and Social aspects acceptable to the Bank, as per standard contractual allocation procedure for framework loans.
- The Promoter shall not commit any EIB funds against schemes that require an ESIA and/or biodiversity assessment according to national law and EIB Standards without, prior to commitment, receiving the consent from the competent authority, and the ESIA having been reviewed by EIB and made available to the public.
- For sub-projects (to be procured as Works) not requiring ESIA according to national laws and EIB Standards, the Promoter will conduct an identification and analysis of stakeholders and put in place a Grievance Mechanism acceptable to the Bank.
- For sub-projects entailing physical or economic displacement the promoter will prepare Resettlement Action Plan (RAP) and/ or Livelihood Restoration Plan in line with the RPF and EIB standards.

The following undertakings shall be included in the finance contract:

- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the ESIA, Biodiversity Assessments, Environmental, Social Management Plans, Resettlement Action Plans and Stakeholder Engagement Plans) to be provided to the Bank upon request.
- The Promoter shall implement and operate the Project in compliance with EIB's Environmental and Social Standards, the ESMF and related management plans, as well as ILO core labour standards, in particular with the inclusion of provisions (for contractors) for the respect of principles of equal treatment and non-discrimination in



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employment and at the workplace, and equal access for men and women to employment opportunities and grievance mechanism.

- Sub -projects triggering significant physical resettlement and adverse impact on indigenous communities will not be considered for EIB financing.
- The Promoter shall assure that compensation has been paid to the people affected by the schemes, before start of the relevant works on the project sites, and according to EIB Standards and the established RPF.
- The Promoter commits to have an own standard procedure and an expert on Climate Risk Assessment in place for managing physical climate risks to the sub-projects of this operation, to the satisfaction of the bank (Climate Risk Vulnerability Assessment - CRVA).
- The Promoter commits to update, if necessary, to the satisfaction of the bank an Environmental and Social Management System (ESMS) aligned with EIB standards.
- River Basin Management Plans or equivalent acceptable water management and planification documents, where relevant stakeholders have been consulted and a broad agreement has been reached and where long-term sustainability of water supply and quality, among others, are proven and made available to satisfaction of the Bank
- Sub-projects shall focus on rehabilitation and refurbishment of existing irrigation schemes in a way that the overall Programme results in a net decrease in water abstraction from the environment, an improvement in water productivity and a depollution of the downstream areas
- Expansion of irrigated areas should only include areas designated as agricultural land and where the status of the affected water body has not been identified as less than good in the relevant river basin management plan or similar acceptable document for reasons related to water quantity/ quality. The whole Project shall result in a net water decrease in abstraction from the environment.
- Significant formal adherence by the population affected by the projects (including, but not restricted to beneficiary farmers in the sub-projects development areas) ascertained in public consultation processes such as those carried out under an ESIA procedure and/or a generally assembly of a constituted Water User Association (WUA).
- The foreseen Sustainable Management Plans for Productive Landscapes (PMSPPs) diagnoses and action plans will be designed and executed considering gender, intercultural diversity, youth, and disability.
- Each infrastructure programme will include a Gender Action Program as an integral part of the Environmental and Social Management Plans.
- The germplasm bank will be compliant with EIB restrictions on genetically modified organisms GMOs. Biofuel uses from feed/ food will remain out of scope, as it has been the case at appraisal stage.

Considering the above, the project is acceptable for EIB financing from an environmental and social point of view.