

Inter-American Development Bank (IDB) – Guatemala

PROGRESS MONITORING REPORT (PMR) FOR THE FOREST CARBON PARTNERSHIP FACILITY (FCPF)

Operation number of grant:	GU-T1194
Reporting period / Fiscal year:	01/01/2015-31/12/2015
Last update:	N/A

OPERATION BASIC DATA

Operation number of grant:	GU-T1194
Recipient country:	Guatemala
Executing Agency (EA):	Ministry of Environment and Natural Resources
Team Leader:	Omar Samayoa
Grant start date / end date:	04/2014 - 04/2018
Overall project stage:	Implementation

FINANCIAL DATA IN USD

Approved project cost (IDB) total:	3,800,000.00
Accumulated disbursements (IDB) total until 31/12/2015 (report date):	865,847.55
Outstanding commitments: total until 31/12/2015 (report date):	1,148,933.31
Planned disbursements (IDB) for report period 01/01/2015 to 31/12/2015:	854,400
Accumulated disbursements (IDB) for report period 01/01/2015 to 31/12/2015:	797,847.55
Outstanding commitments: for report period 01/01/2015 to 31/12/2015:	1,148,933.31
Accumulated administrative costs (IDB) total until dd/mm/yyyy (report date):	
Accumulated administrative costs (IDB) for report period 01/01/2015 to 31/12/2015:	

OVERVIEW

Operation objectives:

The main objective of this operation is to support the Government of Guatemala (GoG) to prepare the National Strategy for Emission Reduction of green house gases (GHG) from deforestation and forest degradation (REDD+).

Overall progress from 01-01 2015 to 31-12-2015 with regard to achieving operation objectives

- **Component 1:**
 - National readiness management arrangements through existing coordination agencies have been strengthened, with the participation of various governmental and civil society bodies and other stakeholders that are significantly affected by REDD+.
 - Guatemala has set up multi-sector coordination mechanisms to do the following: jointly manage the execution of FCPF-financed activities and coordinate complementary support from other international partners; coordinate the proposed activities for the preparation of the Strategy and its integration with the political and legal framework of forestry and other relevant sectors; and organize the exchange and dissemination of information with stakeholders.

- **Component 2:**
 - The REDD+ strategy options proposed are based on the experience of more than 25 year of forestry management and are supported by several policy instruments such the Forestry Law, Protected Areas Law, amongst others. Bidding process is being done for the analysis for the evaluation of land use, the factors causing change in land use, forest legislation, policies, and management.

- **Component 3:**
 - The reference emissions scenarios are expected to be finished in July 2016. This is being done within GIMBUT, who are receiving technical assistance from Winrock International under USAID/CNCG

- **Component 4:**
 - It has been hired the consulting firm for the design of the national MRV system which includes monitoring and information of GHG emissions, multiple benefits, other impacts, management and safeguards
 - National MRV system will be based on existing platforms used by GCI for information exchange

Overall progress from 01-01 2015 to 31-12-2015 with regard to implementation of grant financed activities

Of the total FCPF grant of \$3.8 million, IDB has made three disbursements amounting to \$865,847.55. To date, the country has committed \$ 1,148,934, about 53% of total grant (\$ 2,014,781), leaving a balance of \$ 2,651,066 of available funds.

In 2015 the Execution Unit has been strengthened to expedite the implementation of the operation: It has been hired an administrative-financing assistant and a procurement assistant.

In process the development of the following consultancies: (a) Elaboration of Systematizing the policy framework AND forest governance, (b) Elaboration of FGRM, SESA and ESMF, (c) Design of the national MRV system (of GHG emissions, multiple benefits, other impacts, management and safeguards).

The process of actualization of ToRs has concluded. New ToRs have been written for activities to support the readiness phase, for example, the initial phase of PROBOSQUE Law operationalization. From this date, ToRs and products of the readiness phase will include gender considerations.

Eleven GIS technicians have been rehired to continue the support to the GIS Units of GCI in charge of the elaboration of the national reference emission scenarios within the GIMBUT group (formed by GCI through its GIS Units and academia).

OPERATION COMPONENTS AND IMPLEMENTATION PROGRESS

Overall operation outcome:	National REDD+ Strategy	
Observations on outcome achieved from 01-01 2015 to 31-12-2015:		
Milestones		
Indicators		

Planned activities and achieved milestones:

Component 1 Organization and Consultation:

Sub-component 1a. National REDD+ Readiness Arrangements:

- The national REDD+ process is being led by the Interagency Coordination Group (GCI, formed by the Ministry of Environment and Natural Resources –MARN-, the Ministry of Agriculture Livestock and Food Security –MAGA-, National Council for Protected Areas –CONAP- and the National Forestry Institution –INAB-), both political and technical level.
- It has continued the coordination process with strategic partners to complement activities for the readiness phase (partners like USAID –CNCG and PRCC projects-, UICN, PNUD and FAO)
- From the total FCPF funds (US\$3.8 M), 53% are committed.

Sub-component 1b. Consultation, participation and outreach:

- Capacity building and socialization activities performed with multi-sector coordination mechanisms and cross-sector collaboration
- Terms of reference have been actualized and some already includes gender considerations, for example, the national consultation and participation process
- Through IDB has started the bidding process for the national consultation and participation process

Component 2 REDD+ Strategy Preparation:

Sub-component 2a. Assessment of land use, land-use change drivers, forest law, policy and governance:

- Terms of reference (ToRs) have been actualized for: (a) the Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance;
- Identification of approximately 30 policy instruments which support REDD+ activities

Sub-component 2b. REDD+ strategy options:

- With the recent approval of PROBOSQUE Law, through FCPF funds it is being supported the initial phase of its operationalization
- Activities have been prioritized with stakeholders and ToRs have been written and bidding process has started for: (a) Design of indicators for monitoring , reporting and evaluation of forest degradation, (b) Regulation for the National Forests Fund (FONABOSQUES from the PROBOSQUE Law), (c) Support for linking the preparation of the National REDD + Strategy with strategical political agendas of prioritize sectors in the country, (d) Pilot study case for innovation in the manufacture of clean cookstoves, (e) Digitalization of polygons incentivized during the term of Forestry Incentives Program (PINFOR), and (f) Design and development of image of the National REDD+ Strategy

Sub-component 2c. Implementation framework:

- It has been hired and is has started the Systematization of the policies and forest governance Framework.
- Advisory Group was formed of stakeholders including: climate change, legal, and financial departments/units of GCI, representatives of civil society, Group of REDD+ Implementers, and others. The Advisory Group meets monthly to jointly draft a technical, legal, and financial proposal that will permit coordination of the various specific benefit distribution mechanisms of the REDD+ activities with the national scheme.

Sub-component 2d. Social and environmental impacts:

- It has been hired the consulting firm which will elaborate SESA, ESMF and FGRM
- Elaboration process for the National Safeguards Approach and the Roadmap for the inclusion of gender considerations in the three REDD+ phases (readiness, implementation and payment results).

Component 3 Reference emissions level

- Eleven GIS technicals were hired to support GIMBUT in the elaboration of the national reference emission scenarios
- In June 2016 this product will be finished
- Development of the Reference Emission Scenarios under the Carbon Fund Methodological Framework for each REDD+ modality in the 5 REDD+ regions, covering the whole country
- In bidding process of equipment to strengthen the four GIS Units of GCI

Component 4 Monitoring systems for forests and safeguards

- It has been hired the consulting firm for the design of the national MRV system which includes monitoring and information of GHG emissions, multiple benefits, other impacts, management and safeguards

IMPLEMENTATION OF THE FCPF COMMON APPROACH

Planned environmental and social sustainability standards for the whole project duration:

IDB's social and environmental safeguards and policies will be applied in accordance to the FCPF Common Approach.

Applied environmental and social sustainability standards 01-01 2015 to 31-12-2015:

The environmental and social standards were taken into account during the elaboration of the terms of reference of all the activities within the four components of the Strategy.

Description of planned stakeholder engagement activities during the whole project duration (incl. timing and target groups):

In 2015 the preparation of products within the four components of the strategy were done through extend participatory process with stakeholders from: public sector, local communities, indigenous people, NGOs, private sector, academia, amongst others. The the main activities are: (i) Interpretation of Cancun Safeguards and elaboration of the National Safeguard Approach, (ii) Elaboration of a roadmap to include gender considerations into the national REDD+ process, (iii) Proposal for the national benefit sharing mechanism, (iv) Reference emission scenarios, amongst others.

Description of progress in stakeholder consultation, participation and the Feedback & Grievance Redress Mechanism for Readiness (FGRM) on the country level related to this grant:

The elaboration of the four components of the REDD+ National Strategy is being done with multiple stakeholders within workshops and work meetings. Exchange information with stakeholders is being done through the REDD+ subportal web under the Ministry of Environment webpage. It has been hired the consulting firm for the design of the Grievance Redress Mechanism for Readiness, which will be based on existing mechanisms under the GCI.

It has continued the articulation of the thematic groups that are developing different products of the Strategy, for example, for the development of reference emission scenarios, MRV system, benefits sharing mechanisms, among others.

Description of progress of preparation of ESMF until 01/05/2015 (report date). Is the ESMF prepared in accordance with the Common Approach?:

With regard to the FCPF Common Approach to Environmental and Social Safeguards, the IADB worked with the FMT to prepare the terms of reference of the GRM, SESA, ESMA, and others, so as to guarantee

consistency in implementation under the terms set forth in the Common Approach. The specific areas involving potential gaps between IADB and World Bank policies are limited and specific and none has arisen in the actual operating context of FCPF activities in Guatemala handled by the IADB.

It has been hired a consulting firm for the development of SESA and ESMF, and it is expected to be done in 2017.

Description of the application of FCPF Guidance on Disclosure of Information until to 31-12-2015 (report date):

All documents that have been generated under the framework of the development of the National REDD+ Strategy are public access and can be found not only at IDB webpage (<http://www.iadb.org/en/projects/project-description-title,1303.html?id=GU-T1194>) but also at sub-the webportal for the National REDD+ Strategy within the Minister of Environmental (MARN) webpage, where it can be found all the information about the readiness phase such as the results of workshops, meetings and jointly planning with multisectoral stakeholders participation for the preparation of the four components of the Strategy. This is also supported by the Transparency and access to information La Act, 57-2008.

DISBURSEMENTS

Disbursement summary in US\$:

Approved project cost (IDB) total:	3,800,000.00
Accumulated disbursements (IDB) total until 31/12/2015 (report date):	865,847.55
Planned disbursements (IDB) for report period 01/01/2015 to 31/12/2015:	854,400.00
Accumulated disbursements (IDB) for report period 01/01/2015 to 31/12/2015:	797,847.55
Outstanding commitments:	1,148,933.31

Compromised (contract is signed) money for project-specific activities (not including pre-execution and pre-implementation activities):

01-01 2015 to 31-12-2015

No. Item	Activities	Committed	Disbursed
COMPONENT 1: Organization and Consultation			
Consulting services			
1	Consultation, participation and outreach	\$76,630.49	\$35,353.89
TOTAL CONSULTANCIES		\$76,630.49	\$35,353.89
Goods and services			
TOTAL COMPONENT 1		\$76,630.49	\$35,353.89
COMPONENTE 2: Preparación de la Estrategia REDD+			
Consulting services			
2	Elaboration of SESA, ESMF and FGRM	\$117,500.00	\$82,500.00
3	Systematizing the policy framework and forestry governance	\$15,625.00	\$10,000.00
6	Preparation of the National REDD+ Strategy	\$90,309.95	\$138,656.92
7	Benefit sharing mechanism	\$142,281.72	\$98,097.54
8	Assessment of land use, land-use change drivers, forest law, policy and governance	\$15,000.00	\$0.00
TOTAL CONSULTANCIES		\$380,716.67	\$329,254.46
Goods and services			
4	Sworn translation from english to spanish of the Emission Reduction Idea Note (ER-PIN) of Guatemala, under the framework of the National REDD+ Strategy and other technical documents	\$0.00	\$1,357.49
TOTAL GOODS AND SERVICES		\$0.00	\$1,357.49
TOTAL COMPONENT 2		\$380,716.67	\$330,611.95
COMPONENT 3: Reference emissions scenarios			

Consulting services			
5	Eight GIS technical (two per each GCI institucion x 24 months)	\$273,000.00	\$106,292.07
6	Technical and financial feasibility of REDD+ initiatives in protected areas for private owners	\$5,625.00	\$7,216.56
7	Harmonization of REDD+ early activities in protected areas of the Caribe REDD+ region	\$25,500.00	\$20,000.00
TOTAL CONSULTANCIES		\$304,125.00	\$133,508.63
Goods			
8	Institutional strengthening CONAP, INAB, MAGA and MARN for the development of the national emission scenarios (purchase of software and hardware)	\$65,000.03	\$258,850.42
TOTAL GOODS AND SERVICES		\$65,000.03	\$258,850.42
TOTAL COMPONENT 3		\$369,125.03	\$392,359.05
COMPONENT 4: MRV systems			
Sub component 4a and 4b : National forest monitoring system and information system for multiple benefits, other impacts, governance and safeguards			
Consulting services			
8	National MRV system for information and moniting GHG emission, multiple benefits, other impacts, governance and safeguards	\$322,461.12	\$107,522.66
TOTAL CONSULTANCIES		\$322,461.12	\$107,522.66
TOTAL COMPONENT 4		\$322,461.12	\$107,522.66
TOTAL REDD+ PROJECT		\$1,148,933.31	\$865,847.54

Brief Description with commitments and plans for 2016-2017:

The following table shows the activities planned per component as well as their objective, expected date and costs for 2016-2017:

No. Item	Activities	Amount estimated for 2016
COMPONENT 1: Organization and Consultation		
Consulting services		
1	Implementation of the national plan for consultation and participation process of the National REDD+ Strategy	\$657,119.52
TOTAL CONSULTANCIES		\$657,119.52
Goods and services		
2	PROBOSQUE Law socialization process	\$13,500.00
TOTAL GOODS AND SERVICES		\$13,500.00
TOTAL COMPONENT 1		\$670,619.52
COMPONENT 2: REDD+ strategy preparation		
Consulting services		
3	Elaboration of SESA, ESMF and FGRM	\$135,500.00
4	Caracterización del mercado de leña	\$87,846.77
5	Benefit sharing mechanism	\$142,093.28
6	Preparation of the National REDD+ Strategy	\$142,093.28
7	Assessment of land use, land-use change drivers, forest law, policy and governance	\$156,000.00
8	Design of indicators for monitoring , reporting and evaluation of forest degradation	\$50,000.00
9	Digitalization of polygons incentivized during the term of Forestry Incentives Program (PINFOR),	\$85,000.00
11	Regulation for the National Forests Fund (FONABOSQUES from the PROBOSQUE Law)	\$9,000.00
TOTAL CONSULTANCIES		\$807,533.33

TOTAL COMPONENT 2		\$807,533.33
COMPONENT 3: Reference emissions scenarios		
Consulting services		
12	Feasibility of REDD+ early activities in the biosphere reserve of Sierra de las Minas	\$15,000.00
13	Feasibility for estimating emission reductions through agroforestry as REDD+ initiatives in Occidente region	\$20,000.00
14	Technical and financial feasibility of agroforestry systems as REDD+ initiatives in Occidente region	\$20,000.00
15	Coordinator of GIS technical	\$44,000.00
16	Harmonization of REDD+ early activities in protected areas of the Caribe REDD+ region	\$50,000.00
TOTAL CONSULTANCIES		\$149,000.00
Bienes		
17	Equipment for GIS technical	\$50,000.00
18	Institutional strengthening CONAP, INAB, MAGA and MARN for the development of the national emission scenarios (purchase of software and hardware)	\$531,124.68
TOTAL GOODS AND SERVICES		\$581,124.68
TOTAL COMPONENT 3		\$730,124.68
COMPONENT 4: MRV systems		
Sub component 4a and 4b : National forest monitoring system and information system for multiple benefits, other impacts, governance and safeguards		
Consulting services		
19	National MRV system for information and monitoring GHG emission, multiple benefits, other impacts, governance and safeguards	\$442,788.89
TOTAL CONSULTANCIES		\$442,788.89
TOTAL COMPONENT 4		\$442,788.89
TOTAL REDD+ PROJECT		\$2,651,066.42

<u>EXPECTED</u> Compr omised money (US\$) of operation 2016-2017	Compromised money (US\$) of operation 2015	<u>EXPECTED</u> Percentage of comprised operation funds in 2016-2017	Total amount (US\$) of operation
\$1,785,219.15	\$2,014,780.85 (53% committed)	47%	3,800,000.00