

## Comments on Guatemala's Advanced Draft ERPD

May 2019

Carbon Fund Participants (CFPs) commend the Guatemalan team for presenting a strong and comprehensive ER Program Advanced Draft Document. CFPs encourage the country to take into account the comments below as it works to finalize the ERPD.

### Program Area

- We regret to realize that the program area changed from a national wide approach, as proposed in the ER-PIN, to a subnational approach, as presented in the current advanced draft of the ERPD.
- Please further explain why the three municipalities of Puerto Barrios, Livingston and Morales could not be included into the Program Area. Why did a nesting approach with the existing Private REDD+ Project not work out?
- Could you explain why the municipality of San Luis is included in the proposed program area, although Fundaeco is excluded but (same private REDD+ Project as in Puerto Barrios, Livingston and Morales) seems to implement program activities there? This inclusion implies a high risk of double counting and difficulties regarding ER-Titles.
- Please explain why the conflict area (Triangulo Candelaria, Laguna del Tigre) is proposed to be excluded from the program area. Please also elaborate, why the ERP proposes the exclusion in that particular form, inconsistent with municipal boundaries, inconsistent with boundaries of existing protected areas, inconsistent with boundaries of the Early REDD+ actions implemented in the area (Guatecarbon Project).
- Although the Program area in the final draft might not be at national scale, for consistency and for preparation of a fully national program it is advised to monitor forest cover and driver dynamics also in the areas excluded from the Program area. How are Guatemala's plans and capacities to monitor at national scale?

### Carbon Accounting

- We encourage Guatemala to include the transitions of degraded forest to intact forest in the FREL and to monitor it during project implementation. Not including these transitions in the FREL can lead to an overestimation of Emissions in the FREL.
- How does Guatemala monitor plantations and how are plantations distinguished from natural regrowth, which is currently excluded?
- Is the inclusion of systems with a vegetation structure currently below thresholds, but which could potentially reach the values used by the country in the definition of forest land in the FREL standard practice? If excluded, how does this change the FREL?
- Does the country plan to update its forest definition for the upcoming FRA, in order to harmonise it with the definition used in the ERP FREL? The definition should be consistent across the various reporting streams completed by the country.

- What is the timeline for Guatemala to submit a national FREL to the UNFCCC? What are the characteristics of this future national FREL?
- Elaborate on the plans, if any, to improve MRV methods for activity data estimation (e.g., the cartographic model of forest cover and land use change currently updated) as well as any corresponding technical corrections envisioned to the Reference Level.
- Is the spatial information regarding the program area, including activity data, now publicly available?
- Given the potential significance of slash-and-burn agricultural practices to emissions under the program, it is recommended that Guatemala use best practices and available data to assess the contribution to emissions under the program
- It is unclear if sufficient steps are being taken to ensure the ERs generated by this program are additional given the significant overlap with the FIP program area.
- We are aware that there are different methodological approaches between the Guatemalan MRV System and The Global Forest Watch datasets. Nevertheless, we would like to hear your opinion on the major differences in data: while the ERPD states a deforestation of 31.300 ha/y for the Program Area in the FREL period, Global Forest Watch Data for the same period (2006-2016) shows an annual tree cover loss rate of 80.000 ha (country wide). How would you explain this significant difference?
- Encourage Guatemala to clarify in the Final ER-PD, on what caused the major change in classification of degraded forest plots and make necessary adjustments as appropriate.

### **Safeguards**

- How does the program address the displacement risk to the national area excluded from the program? Implementing activities, amongst others command and control, within the program area might imply a high risk of displacement to a bordering area with severe governance challenges. Current high deforestation rates do underline that displacement is an important risk for the ERP.
- As mentioned by the TAP, please include an analysis on the risk of displacement from the program area across international boundaries, as well as an overall strategy to mitigate or minimize this displacement risk.
- Please indicate the current state of the Stakeholder Engagement Plan and the Environmental and Social Commitment plan.
- Provide a budget for the operation of the FGRM and for the Safeguards Monitoring, explaining where the resources will come from.
- Please explain how the strategic actions and priorities identified in the gender roadmap, published in 2017, have been integrated into the ERP?
- Guatemala has a sad and unfortunate recent history of killings of environmental and land defenders, many of them indigenous leaders organizing to protect intact forest areas. What measures does the Government and the Program envisage to improve safety of local leaders, especially those participating in the ER-Program?
- Why were indigenous people not included in the dialogues held in Peten?

## Program Design

- We welcome Guatemala's efforts and its guarantee to finance 95% of the total investment required by the ER Program through the existing government initiatives, to a big share through the government's initiatives PROBOSQUE (former PINFOR) and PINPEP. Both programs have a long history in the country, having channeled 400 Mio. USD of public funds in the last 22 years. Has there been an evaluation of the effectiveness and impact of both programs, especially regarding its conservation goals? It would be useful to provide more details on the baselines of these programs.
- Is there a scope & plan to increase the size & reach of these PROBOSQUE and PINPEP in the time of the ERP?
- What is the role of the private sector both in financing and in implementing activities to tackle the drivers (especially when looking at the REDD+ projects)?
- What are the plans to finance the existing USD 825,000 gap in year 2 of the program activities?
- Many of the activities under the "Strategic Options" ("REDD+ Actions") note that additional resources are needed. Has the team begun to identify and secure those resources?
- What is the timeline until approval and adoption of the national REDD+ Strategy, National Strategy for Addressing Deforestation and Forest Degradation in Guatemala? (the version currently available online indicates to be preliminary)
- Please provide more detail on the geographic emphasis of the different government programs in their efforts to tackle the different drivers of deforestation and degradation. Please include more details on their priorities, e.g. through a more detailed Budget information on the different program activities.
- For the Ex-ante estimation of the Emission Reductions, the ERPD divides the program area in activity area and other areas. Could you please elaborate, how the priority areas for activities have been selected and how an expansion to the other areas is envisioned?
- What are the countries' strategies to tackle land tenure weaknesses and conflicts within the program area?
- Will the Interinstitutional Coordination Group have its mandated extended after 2020? Will the role of the ICG shift or change as the ER program is implemented, managed, and monitored?
- The possible expiration of two concessions within the area of the Guatecarbon project that overlaps with the FCPF ER project after the term of the ERPA presents a large risk to the program as it potentially conflicts with the Methodological Framework (Criteria 18 + 19). Although the ERPD states this is not a concern given that renewal of the concessions are deemed formalities, in order to address this concern some kind of safeguard against the lapsing of these concessions should be put into place
- Please share how the ER program will ensure the continued political commitment and program sustainability given the upcoming elections which, as we understand, may also result in new Authorities Executive Directors in most of the institutions on forest management.

## **Benefit Sharing**

- We share the TAP concerns about too little focus on channeling benefits to deforestation/degradation hotspots areas through the blanket hectare-approach. How will Guatemala assure to sustainably address deforestation drivers in hotspot areas?
- We understand the numbers regarding the hectare-approach presented in the table “Areas of implementation of REDD+ activities during the period” are exemplary. How would the government measure areas for the programs implemented by the government? As well as areas for the Early REDD+ Initiatives? Could you present a realistic distribution scenario under the hectare-approach? It would be useful to see a draft version of the benefit sharing Plan.
- What is the stakeholder engagement process and timeline until the final version of the benefit Sharing plan? In absence of a national or regional system of representation of indigenous communities, how will the country assure their participation in the final design process of the BSP?
- What is the timeline for developing a comprehensive nesting approach?
- What is the status of the rules on beneficiaries who have participated in the PINPEN and PROBOSQUE programs, as mentioned on page 103?

## **ER Program Transactions**

- While the TAP under Criteria C23 (Double Counting) briefly describes a nesting strategy in order to avoid double counting with the different REDD+ projects, the ERPD remains vague. Could you elaborate more on the nesting strategy to avoid double counting, also within the ERPD?
- How will the nesting approach for the three private REDD+ projects assure methodological coherence with the ERP in the calculation of ERs generated? How does Guatemala plan to assure this coherence especially for the Guatecarbon project, whose project area lies partially within and outside the ERP boundaries?
- How does Guatemala assure that the program area together with the excluded area (in particular Fundeco project area) do not transfer more ERs than achieved at national level?
- We would by CF20 like to see a draft version/outlines of the agreements that will be concluded by the program entity with the tree existing REDD+ projects. We would need to see the final version during BSP finalisation process.
- With all the different ongoing and envisaged REDD+ activities in Guatemala, we consider a transparent and functioning transaction registry system, based on a sound legal framework assuring consistency with national accounting and international commitments, core for a successful REDD+ implementation in the country. Please include indicative dates into the roadmap to fully develop and adopt the Registration System to regulate and monitor ER-generation and ER-Transfers. When will a first draft of the system including the conceptual design

and draft legal framework be available? What is the current status of the Emission Registry regulation mentioned on page 103?

- The ERPD extensively describes legal nature and ownership of the ERs, but the governments approach to address the existing challenges is not clear. Does Guatemala plan to sign contracts with all formal landowners and lawful landholders, as well as concession owners, within the ERP Area in order to assure the authority over the carbon titles for the ERs produced within the program area?
- The section on identifying and designating land holders is confusing:
  - Are the land users designated as “tenants” considered “holders” of land? Are tenants expected to participate in the program, and if so, how will their participation be affected by their lack of status as “holders” or “legal holders” (as defined in the FLCC)?
  - Are indigenous people who occupy and use communal lands considered holders? Is their status as “holders” assured in the case of both being a registered cooperative and not? It is unclear from the tenure description section what status indigenous people on communal lands vis a vis being designated “holders”
- As recommended by the TAP, provide details on the contractual approach envisaged, concerning the core elements of the relevant contracts on transfer of title.