

Forest Carbon Partnership Facility (FCPF) Technical Assessment of Advanced Draft Guatemala

Instructions for completing the assessment report:

- All items in the boxes of this template must be completed using Calibri 11pt, black, regular (non-italic) font. All boxes must appear in the final document.
- Where an Indicator is not applicable, the cell must be marked N.A and shaded in grey. Indicators marked in the table with * may be N.A in some cases (i.e. lack of benefit sharing plan, national registry not implemented, adjustment non-applicable, quantification of uncertainty in the case of use or not of integrated methods to estimate emissions) and subject to the TAP's opinion.
- The assessment of each indicator must not cover more than 1 page.
- All instructions, including this introductory text, should be deleted from the final document

Guidance for completing assessment: The TAP shall complete the description of the assessment of each indicator considering the following guidance:

- Description of the assessment: The reader must understand how a certain conclusion was reached (the process followed and the evidence on which it is based). Findings must contain adequate detail to understand the rationale of the score. A simple statement that an indicator is met/not met without any background is not good practice.
- Risk-based approach: The assessment should concentrate on the likely sources of material misstatements. The materiality threshold is defined as a misstatement that could potentially account for at least 1 percent of total greenhouse gas emissions.
- Professional judgement: It is expected that the TAP will use professional judgement in the case there is no evidence or not enough information in the ER-PD so as to conclude whether an error or misstatement is material (i.e., assessing if it is a MAJOR or MINOR non-conformity). E.g., the ER-PD might not have information on whether a carbon pool is significant or not, but the TAP may use its professional judgement to confirm whether it is significant or not.
- Non-Conformities: It is expected that non-conformities are raised following a standard approach
 - o Requirement: indicate the interpretation of the requirement (as appropriate)
 - o Evidence: refer to the objective evidence used, and how this objective evidence was used to conclude on the existence of a non-conformity against the requirement (E.g., the TAP checked the excel spreadsheet)
 - o Explanation: explain the non-conformity, and provide an indication of the expectation to allow possible course of actions in order to address the finding
 - o Potential impact: the assessment must include an explicit statement on whether the non-conformity is MAJOR or MINOR, so as to provide an indication of whether it is a material issue (i.e., a non-conformity with no major impact). This has to be done in a plain, non-aggressive and polite language without insisting in the existence of a failure. Note, in general:
 - **A major non-conformity (MAJOR)** is issued where (i) the evidence provided to prove conformity is insufficient; (ii) mistakes have been made in applying assumptions, data or calculations which could have a material influence on the results; (iii) non-compliance with relevant criteria.
 - **A minor non-conformity (MINOR)** is issued where (i) the evidence provided to prove conformity is insufficient but does not lead to breakdown in the systems delivery; (ii) mistakes have been made in applying assumptions, data or calculations which could have an influence on the future

results; (iii) if a certain aspect has to be verified in the next verification event (e.g., there are foreseen modifications, etc.)

- **Observations (OBS)** are issued as team's recommendation in relation to future improvements of the analysis process or the monitoring. These may be included in the Assessment Report, but the TAP must not make recommendations with respect to complying with criteria and indicators. If areas of improvement are suggested, clarify when this applies (i.e., to a future ER-PD revision, or more generally to system improvements overtime).
- Description of changes from Draft ER-PD to Advanced Draft ER-PD: It is important to describe, where applicable in the Summary table, the changes that were made by the country from the Draft ER-PD to the Advanced Draft ER-PD as a result of preliminary findings from the TAP. This is important to inform the reader of previous findings that were already addressed at the time of the Advanced Draft ER-PD.

Update of Assessment report from Advanced Draft ER-PD to Final ER-PD: The assessment report needs to be updated overtime. In order to update the report:

- The first summary table includes columns for an initial review (desk review), first and second assessments of the Advanced Draft ER-PD and Final ER-PD respectively. The second assessment will provide the final scoring from the review of the Final ER-PD (which addresses both TAP findings and CFPs/Observers comments).
- It is expected that the TAP will update those indicators which have been changed. The TAP will have to explain why the scoring has been kept or has changed using objective evidence to support this and explain the process followed to reach the conclusion.

Roles: TAP members will have the following roles and division of labor. This is just indicative and it depends on the specific expertise available and the division of labor decided by the Leader.

- Leader: Overall supervision, confirm that the assessment report follows the above guidance and Indicators 27.1-27.2, 37.1-38.4
- Carbon accounting expert: 3.1 – 23
- Social and environmental safeguards expert: 24-26.3, 31.1-32.1, 34.1-35.2
- Legal expert: 23, 28.1-28.3, 33.1 and 36.1-36.3

I General Approach of the Review

The updated Advanced Draft of the ER Program Document (ER-PD) was received on 28 March 2019 by the TAP team. The TAP team members reviewed their respective sections and a conference call was organized on April 2nd to discuss some key issues, prior to finalizing the TAP review report on April 13th.

The TAP team members had previously reviewed an earlier version of the Advanced Draft ER-PD of February 28th 2019, and sent their TAP review contributions to the team leader, who then consolidated inputs received and sent some questions for clarification to the various team members prior to submitting the full TAP report to the World Bank on March 14th 2019, for transmission to the government of Guatemala. Special attention was paid to reviewing those indicators that had scored NO in the TAP assessment of the first Draft ER-PD.

The TAP had previously assessed the January 22nd 2019 First Draft ER-PD, which was discussed in detail with the government during the TAP mission to Guatemala from 28 January to 2 February 2019. During that mission, the TAP team spent four days meeting with the four key REDD+ preparation and implementation agencies (CONAP, INAB, MAGA and MARN), and with many other REDD+ stakeholders, including NGOs, Indigenous Peoples' representatives and staff from the World Bank and other technical and financial partners. The government REDD+ team gave a number of concise

presentations, which left plenty of time for the TAP team to ask questions and interact with both government and non-government stakeholders. A first TAP review report was then sent to the government on February 15th 2019.

PART 1 OF TECHNICAL ASSESSMENT: Summary

	<p>Date of Current Assessment: 13 April 2019. <i>Version ER-PD 28 March Advanced Draft</i></p> <p>Name of Assessment team members:</p> <p>Claudio Cabrera Gaillard, local expert Javier Cano Martin, carbon accounting expert Simon Rietbergen, team leader and safeguards expert Moritz von Unger, legal expert</p>			
<p>Summary Assessment of the Quality and Completeness of the ER-PD:</p> <p>The Advanced Draft version of the ER-PD is a considerable improvement over the First Draft version reviewed by the TAP, with a net improvement for 23 criteria (25 having gone from No to Yes, and two from Yes to No, yielding an overall score of 47 YES and 19 NO scores for the Advanced Draft (for more detail see under “Summary score and overall comment” heading below).</p> <p>The revised ER Program is sub-national, but ambitious as it covers 92% of Guatemala’s forests.</p> <p>The Carbon Accounting section is much improved, accounting for 18 of the 24 criteria that are newly compliant. International displacement and displacement in national areas outside the accounting area have been summarily addressed in the latest version of the ER-PD, but not sufficiently to gain compliance.</p> <p>The ER Program is subnational (jurisdictional) in its scope with several initiatives, which have previously been developed as carbon projects, accounted for (integral parts of the ER Program). While the ER-PD demonstrates with sufficient detail how the integration of the existing (registered) carbon projects can be managed without material risk of double-counting, the text fails to clarify whether there is a potential boundary overlap – and, thus, a potential double-counting issue – between the ER Program, on the one hand, and another carbon project that falls outside of its scope, on the other hand.</p> <p>To comply with the new Environmental and Social Framework of the World Bank, which is applicable to all Bank-managed operations signed after October 1st 2018, Guatemala will need to prepare a Stakeholder Engagement Plan and a Social and Environmental Commitment Plan prior to the signature of the ERPA, and draft versions of the Plans should be submitted with the final version of the ER-PD.</p>	Indicators	Initial review	1st Assessment	2nd assessment (final)

<p>Benefit sharing arrangements are outlined, but a range of questions concerning the selection of agents/beneficiaries vis-a-vis actions, the ratio for benefit sharing, and the compliance with mandatory legal provisions persist.</p> <p>The authorization to transfer title requires further discussion. The identification of beneficiaries – from which authorization for title transfer is to be obtained – against the 19 REDD+ actions of the ER Program, on the one hand, and the associated programs (PROBOSQUE, etc.), on the other hand, is not clear. Relevant procedures and details on what the envisaged contracts with beneficiaries to transfer title to ERs will entail, are missing.</p> <p>Guatemala has decided to create a nation-wide Data Management and Transaction Registry System (SMDRT), but core design features are not yet clear.</p>				
<p>II. Level of Ambition → Criteria 1 – 2, including issues relating to legal aspects</p> <p>Following comments from the TAP team, the government decided to submit a sub-national Emissions Reductions Program (ERP), instead of a national ERP, as in the first draft. The sub-national ERP is still highly ambitious, covering 92% of the country’s forests. Some areas were excluded because of land tenure conflicts. The excluded areas are clearly defined, geographically speaking.</p> <p>This section is now in full compliance, compared to 1 non-conformity in the First Draft ER-PD.</p>	<p>1.1 1.2 2.1</p>	<p>YES YES NO</p>	<p>YES YES YES</p>	
<p>III. Carbon Accounting</p> <p>III (a) Scope and methods→ Criteria 3 – 6</p> <p>The Advanced Draft ER-PD is a significant improvement over the First Draft. However, some information, including databases and maps, needs to be updated in the light of the modification of the ER Program from National to Subnational scale. In addition, Guatemala should provide further explanations regarding the modifications made, as detailed below.</p> <p>III (b) Uncertainties→ Criteria 7 – 9</p> <p>The minor weaknesses identified in the First Draft have been adequately addressed in the Advanced Draft.</p> <p>III (c) Reference Level→ Criteria 10 – 13</p> <p>In the Advanced Draft, additional information has been incorporated on the relationship between the ER Program reference level and other country reports.</p> <p>III (d) Reference Level, Monitoring & Reporting on Emission Reductions→ Criteria 14-16</p> <p>The operating structure is explained with much detail and precision in the Advanced Draft of the ER-PD, allowing Guatemala to meet the corresponding criteria and indicators.</p>	<p>3.1 3.2 3.3 4.1 4.2 5.1 6.1 6.2 7.1 7.2 8.1 8.2 9.1 9.2 9.3 10.1 10.2 10.3 11.1 11.2 12.1</p>	<p>NO YES YES NO NO NO NO NO NO NO NO NO YES NO NO YES NO NO YES YES NO NO</p>	<p>NO YES NO YES YES NO NO YES YES YES YES YES YES YES YES YES YES YES YES YES YES YES</p>	

<p>III (e) Accounting for Displacement (leakage) → Criterion 17</p> <p>There is insufficient clarity on how the implementation of the ER Program would affect the displacement of emissions from the accounting area to areas outside it, at both national and international level, and how any potential displacement will be mitigated.</p> <p>III (f) Accounting for Reversals → Criteria 18 – 21</p> <p>The analysis of Reversals has been improved and adjusted in the Advanced Draft ER-PD.</p> <p>III (g) Accounting for ERs → Criteria 22 - 23</p> <p>Re criterion 22, in the Advanced Draft ER-PD the estimations are done in the correct way.</p> <p>Re criterion 23, the ER Program is subnational (jurisdictional) in its scope with several projects accounted for (integral parts of the ER Program). In the Advanced Draft ER-PD, the description of how the proposed Data Management and Registry System (SMDRT) will avoid double counting of ER is improved.</p> <p>In conclusion, the carbon accounting section of the Advanced Draft of the ER-PD has 7 non-conformities, of which 2 are MAJOR. This is a significant improvement over the First Draft, which had 25 non-conformities, of which 5 were major.</p>	<p>13.1 13.2 13.3 13.4 14.1 14.2 14.3 15.1 16.1 17.1 17.2 17.3 17.4 18.1 18.2 19.1 20.1 20.2 21.1 21.2 22 23.i 23.ii</p>	<p>YES N/A N/A N/A NO NO YES YES YES YES NO NO N/A N/A NO YES YES YES NA NA NO NA NO NO NO NO</p>	<p>YES N/A N/A N/A YES YES YES YES YES YES NO NO N/A N/A YES YES YES NA NA YES NA YES NO NO NO</p>	
<p>IV. Safeguards</p> <p>Actions undertaken to meet WB and Cancun Safeguards → Criteria 24-26</p> <p>To comply with the new Environmental and Social Framework of the World Bank, which is applicable to all Bank-managed operations signed after October 1st 2018, Guatemala will need to prepare a Stakeholder Engagement Plan and a Social and Environmental Commitment Plan. These Plans need to be adopted prior to the signature of the ERPA, and draft versions of the Plans should be submitted with the final version of the ER-PD.</p> <p>Following TAP comments on the First Draft of the ER-PD, the reference to the report of the review of the existing Feedback and Grievance Redress Mechanisms (FGRM) was included in the Advanced Draft ER-PD, and the report published online, so that all indicators related to FGRM are now in compliance.</p> <p>Observation: The Budget proposed for the monitoring and implementation of the environmental and social safeguards is not mentioned in the ER-PD main report, nor is it detailed in the ER-PD implementation budget provided in Annex II. This should be corrected in the Final Draft of the ER-PD, in order to avoid non-compliance with indicator 25.1.</p> <p>This section of the Advanced Draft ER-PD has 1 non-conformity, which is considered minor. This is an improvement on the First Draft of the ER-PD, which had two non-conformities.</p>	<p>24.1 24.2 25.1 25.2 26.1 26.2 26.3</p>	<p>YES NO YES N/A NO YES N/A</p>	<p>YES NO YES NA YES YES NA</p>	

<p>V. Sustainable Program Design and Implementation</p> <p>V. (a) Drivers and Land Resource Tenure Assessment → Criteria 27-28</p> <p>V. (b) Benefit sharing → Criteria 29 – 33</p> <p>V. (c) Non-Carbon Benefits → Criteria 34 – 35</p> <p>The Draft ER-PD includes a concise description of the main types of land tenure, structural weaknesses in the regulatory framework, and tenure conflicts. The ER Program seeks to address relevant conflicts and gaps through coordinated action from a variety of stakeholders and government entities. The relevance of land ownership and legal land holdings for the purpose of title to ERs is discussed.</p> <p>Benefit sharing arrangements are outlined, but a range of questions concerning the identification of rewardable action, the selection of agents/beneficiaries vis-à-vis those actions, and the compliance with mandatory legal provisions persist.</p> <p>This section of the Advanced Draft ER-PD has five non-conformities, of which 3 are deemed major. This is a considerable improvement over the First Draft of the ER-PD, which had 8 non-conformities, of which 7 were deemed major.</p>	<p>27.1</p> <p>27.2</p> <p>28.1</p> <p>28.2</p> <p>28.3</p> <p>29</p> <p>30.1</p> <p>31.1</p> <p>32.1</p> <p>33.1</p> <p>34.1</p> <p>34.2</p> <p>35.1</p> <p>35.2</p>	<p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>NO</p> <p>YES</p> <p>N/A</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>NO</p> <p>N/A</p>	<p>YES</p> <p>NO</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>NO</p> <p>NA</p>	
<p>VI. ER Program Transactions</p> <p>VI (a) ERPA Signing Authority and Transfer of Title To ERs → Criterion 36</p> <p>VI (b) Data Management and ER Transaction Registries → Criteria 37 - 38</p> <p>The responsibility for signing the ERPA is demonstrated to be with the Program Entity (MINFIN) – provided Congress approves the authority as part of the adoption of the ERPA package.</p> <p>The authorization to transfer title requires further discussion. The identification of beneficiaries – from which authorization for title transfer is to be obtained – against the 19 REDD+ actions of the ER Program, on the one hand, and the associated programs (PROBOSQUE, etc.), on the other hand, is not clear. Relevant procedures and details on what the envisaged contracts with beneficiaries to transfer title to ERs will entail, are missing.</p> <p>Guatemala has decided to create a nation-wide Data Management and Transaction Registry System (SMDRT), but core design features are not yet clear.</p>	<p>36.1</p> <p>36.2</p> <p>36.3</p> <p>37.1</p> <p>37.2</p> <p>37.3</p> <p>37.4</p> <p>38.1</p> <p>38.2</p> <p>38.3</p> <p>38.4</p>	<p>YES</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p>	<p>YES</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>YES</p> <p>NO</p> <p>NO</p> <p>NO</p> <p>NO</p>	

<p>This section has six non-conformities, of which five are deemed major, a slight improvement over the First Draft ER-PD, which had seven non-conformities.</p>				
<p>SUMMARY SCORE and overall comment:</p> <p>The Advanced Draft of the ER-PD shows a considerable improvement over the First Draft version reviewed by the TAP, which had 24 YES and 42 NO scores – compared to 47 YES and 19 NO scores for the Advanced Draft. (Both drafts had 13 non-applicable scores).</p> <p>Section III, on carbon accounting, is the most improved, with 7 non-conformities for the Advanced Draft against 25 for the First Draft (with 19 indicators changing from NO to YES, and one from YES to NO). Section V, sustainable program design and implementation, went from 8 to 5 non-conformities (with 4 indicators changing from NO to YES, and one from YES to NO). Section VI, ER Program Transactions, went from 7 to 6 non-conformities; Section IV, safeguards went from 2 non-conformities to 1 and Section II, level of ambition, went from 1 non-conformity to full compliance.</p> <p>Nevertheless, most of the remaining NO scores (10 out of 18) refer to a major non-compliance, and quite a few important items still need work, including the benefit sharing plan and a number of ER program design and legal issues, as detailed below.</p>				

PART 2 OF TECHNICAL ASSESSMENT: DETAILED ASSESSMENT

<p>C. 1 The proposed ER Program is ambitious, demonstrating the potential of the full implementation of the variety of interventions of the national REDD+ strategy, and is implemented at a jurisdictional scale or programmatic scale.</p>	
<p>Ind. 1.1 The ER Program Measures aim to address a significant portion of forest-related emissions and removals</p> <p>[Ambition and strategic rationale for the ER Program – 2.2]</p>	<p>YES</p>
<p>The measures proposed under the Emissions Reduction Program (ERP) address a considerable share of greenhouse gas emissions and removals associated with forests.</p> <p>Guatemala has estimated that the potential for reducing emissions through the measures described in the ER-PD could reach a total 8,689,833.83 tons of CO₂e, composed of 5,885,444.43 tons in emission reductions due to deforestation, 1,711,210.25 tons in emission reductions due to forest degradation and 1,093,179.15 million tons worth of removals due to the increase of forest carbon stocks. Additionally, Guatemala has estimated that including emission reductions from outside the areas with identified activities could increase the potential to 11,022,084 tons of CO₂e.</p>	
<p>Ind. 1.2 The ER Program is ambitious, uses new or enhanced ER Program Measures to reduce Emissions or enhance removals, is undertaken at a jurisdictional scale and/or takes a programmatic approach (i.e., involves multiple land areas, landowners or managers within one or several jurisdictions), and reflects a variety of interventions from the national REDD+ strategy in a coordinated manner.</p> <p>[Ambition and strategic rationale for the ER Program – 2.2, 2.3]</p>	<p>YES</p>
<p>The Emissions Reduction Program (ERP) is ambitious and addresses deforestation, forest degradation and the enhancement of carbon stocks at a sub-national scale, planning to reduce overall emissions by 14% in comparison with the baseline. The ERP, which covers 3,676,908 million hectares or 92% of the country’s forests, uses tried and tested measures, such as forest concessions and forest incentive programs – which have a good track record in the country. The ERP does not mention new or improved measures, but it does cover multiple types of forest property and administration, in a coordinated manner. It is also innovative in recognizing and including in the ER Program three “early action REDD+” projects that have been or are being developed according to the voluntary REDD+ standards VCS and CCBA (Voluntary Carbon Standard and Climate, Community and Biodiversity Alliance).</p>	
<p>C. 2 The Accounting Area matches a government- designated area that is of significant scale</p>	
<p>Ind. 2.1 The Accounting Area is of significant scale and aligns with one or more jurisdictions; or a national-government-designated area (e.g., ecoregion) or areas.</p> <p>[Accounting Area of the ER Program – 3.1]</p>	<p>YES</p>
<p>The Accounting Area consists of the national territory of Guatemala with the exception of the Candelaria/Laguna del Tigre triangle in the municipality of San Andres Petén, in the Maya Biosphere Reserve, and the municipalities of Morales, Livingston and Puerto Barrios, in the Department of Izabal¹ – which have been excluded because of potential land tenure</p>	

¹ See map 1 in section 3.1 of the ER-PD
Version 13 April 2019

conflicts. Even taking into account these exclusions, the ER Program covers 92% of the forests of Guatemala, and 91.7% of the national territory.

C. 3 The ER Program can choose which sources and sinks associated with any of the REDD+ Activities will be accounted for, measured, and reported, and included in the ER Program Reference Level. At a minimum, ER Programs must account for emissions from deforestation. Emissions from forest degradation also should be accounted for where such emissions are significant.

Ind. 3.1 The ER Program identifies which anthropogenic sources and sinks associated with any of the REDD+ Activities will be accounted for in the ER Program

NO

[Description of Sources and Sinks selected – 8.1]

The ER Program identifies the anthropogenic sources and sinks associated with Deforestation, Forest Degradation and Enhancement of forest carbon stocks. Sinks associated with Forest conservation and Sustainable forest management are not estimated.

Enhancement of carbon stocks is only applied for plantations (non-forest converting to forest). In the section of Forest remaining Forest, two categories of forests are distinguished: intact forest and degraded forest. From these, only transitions of intact forest to degraded forests are estimated and dealt with in the estimations of emissions. Transitions of degraded forests to intact forest are not considered in the RL nor in MRV.

Not considering carbon removals from transitions of degraded forest to intact forest could lead to an overestimation in the RL. It could also affect the internal coherence of the RL, since a potentially significant part of the removals associated with the inverse action of degradation would not be accounted for.

Bearing in mind that the methodology applied by Guatemala to estimate greenhouse gas emissions from forest degradation could also be used to estimate the greenhouse gas removals due to carbon stock enhancement in forests that remain as forests, and taking into account Guatemala’s commitment to include such removals in the final version of the ER-PD, the TAP deems that **this indicator is not met, and that this non-compliance is classified as MINOR.**

Ind. 3.2 The ER Program accounts for emissions from deforestation.

YES

[Description of Sources and Sinks selected – 8.1]

The estimate of the emissions from deforestation was updated from 13,420,331.67 tons CO₂e/year in the First Draft of the ER-PD to 11,964,547.45 tons CO₂e/year in the Advanced Draft. This decrease in the estimated emissions is due to the fact that the accounting area was reduced by about 8% between the two versions of the ER-PD, from a national to a subnational level.

The surface area affected by deforestation – land use change from forest to non-forest land – in the ER Program area is estimated to be 31,355 hectares per year. For the purpose of the ER Program, Guatemala’s forest cover has been stratified in four classes, each with a different carbon density (see “Carbon Strata Map of Guatemala” developed by GIMBUT in 2017, which is summarized in the ER-PD).

The carbon densities from this map are used to calculate deforestation emissions.

<p>Ind. 3.3 Emissions from forest degradation are accounted for where such emissions are more than 10% of total forest-related emissions in the Accounting Area, during the Reference Period and during the Term of the ER-PA. These emissions are estimated using the best available data (including proxy activities or data). [Description of Sources and Sinks selected – 8.1]</p>	NO
<p>Yes, both in the First Draft and the Advanced Draft of the ER-PD emissions from forest degradation were estimated using a proxy method, based on the analysis of variation in tree cover percentage in forest remaining as forest.</p> <p>In the First Draft, emissions from forest degradation were estimated at 5,740,380.53 tons CO₂e/year, representing around 30% of the reference level. In the Advanced Draft the volume reported is 3,745,099.26 tons CO₂e annually, representing about 24% of the reference level.</p> <p>This decrease in the estimated annual emissions from degradation is caused by the decrease of the number of plots identified as degraded forest, from 279 plots in the First Draft to 197 plots in the Advanced Draft, a reduction of 82 plots (in both cases, degraded plots were defined as those plots where the tree cover percentage declined from over 70% to between 30 and 70% over the reference period). The reduction in the share of the reference level accounted for by emissions from forest degradation is not caused by the reduction of the accounting area from a national (in the First Draft ER-PD) to a sub-national ER Program (in the Advanced Draft), since the latter modification only led to the exclusion of 13 plots.</p> <p>The indicator is considered not met, in contrast to the First Draft ER-PD, where it was considered met. This non-compliance is classified as MINOR, considering that the country could meet the indicator relatively easily by including further clarifications in the Final ER-PD, on what caused the major change in classification of degraded forest plots.</p>	
<p>C. 4 The ER Program should account for, measure and report, and include in the ER Program Reference Level, significant carbon pools and greenhouse gases, except where their exclusion would underestimate total emission reductions.</p>	
<p>Ind. 4.1 The ER Program accounts for all Carbon Pools and greenhouse gases that are significant within the Accounting Area, both for Reference Level setting and Measurement, Monitoring and reporting (MMR). [Description of Carbon Pools and greenhouse gases selected – 8.2]</p>	YES
<p>The ER-PD of Guatemala considers the emissions from two carbon pools: aboveground biomass and belowground biomass, whereas emissions associated with the three carbon pools litter, dead organic matter and soil organic carbon are excluded.</p> <p>Of the Greenhouse gases, CO₂ is included, but emissions of N₂O and CH₄ are excluded.</p>	
<p>Ind. 4.2 Carbon Pools and greenhouse gases may be excluded if:</p> <ol style="list-style-type: none"> I. Emissions associated with excluded Carbon Pools and greenhouse gases are collectively estimated to amount to less than 10% of total forest-related emissions in the Accounting Area during the Reference Period; or II. The ER Program can demonstrate that excluding such Carbon Pools and greenhouse gases would underestimate total emission reductions. <p>[Description of Carbon Pools and greenhouse gases selected – 8.2]</p>	YES

According to the estimates provided by the country in the First Draft of the ER-PD, the total emissions from carbon pools and GHG that were excluded from the ERP reached 2,544,521 tons CO₂e/year, representing 13.5% of total emissions and absorptions, whereas in the current Advanced Draft emissions from excluded GHG and carbon pools account for just 8% of the total emissions, or 1.376.211,61 tons CO₂e/year.

Soil Organic Carbon emissions are estimated at 922,346 tons CO₂e/year (5,96%).

Dead Organic Matter and Litter emissions are estimated at 436,892 tons CO₂e/year (2,82%).

N₂O and CH₄ emission are estimated at 16,973 tons CO₂e/year (0,11%).

The total of excluded emissions is lower than the 10% ceiling established in the FCPF MF, therefore this indicator is now considered to be in compliance.

C. 5 The ER Program uses the most recent Intergovernmental Panel on Climate Change (IPCC) guidance and guidelines, as adopted or encouraged by the Conference of the Parties as a basis for estimating forest-related greenhouse gas emissions by sources and removals by sinks.

Ind. 5.1 The ER Program identifies the IPCC methods used to estimate emissions and removals for Reference Level setting and Measurement, Monitoring and reporting (MMR).

YES

[Description of method used for calculating the average annual historical emissions over the Reference Period – 8.3]

[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area– 9.1]

Yes, the reference level is estimated using the stock difference approach of the 2006 IPCC Guidelines for the National Greenhouse Gas Inventories, Volume 4, Agriculture, Forestry and Other Land Use.

In the First Draft it was not clear if the biomass to carbon conversion factor used was 0.5 as suggested in the ER-PD, or 0.47 as recommended by IPCC 2006, but in the current Advanced Draft, the use of the factor 0.47 is confirmed throughout the entire process for the estimation.

The country proposes the use of the same method that is currently in use for the Measurement, Monitoring and Reporting events during the ERPA period.

As a result, this indicator is now considered to be in compliance.

C. 6 Key data and methods that are sufficiently detailed to enable the reconstruction of the Reference Level, and the reported emissions and removals (e.g., data, methods and assumptions), are documented and made publicly available online. In cases where the country's or ER Program's policies exempt sources of information from being publicly disclosed or shared, the information should be made available to independent reviewers and a rationale is provided for not making these data publicly available. In these cases, reasonable efforts should be made to make summary data publicly available to enable reconstruction.

<p>Ind. 6.1 The following methodological steps are made publicly available:</p> <ol style="list-style-type: none"> I. Forest definition; II. Definition of classes of forests, (e.g., degraded forest; natural forest; plantation), if applicable; III. Choice of activity data, and pre-processing and processing methods; IV. Choice of emission factors and description of their development; V. Estimation of emissions and removals, including accounting approach; VI. Disaggregation of emissions by sources and removal by sinks; VII. Estimation of accuracy, precision, and/or confidence level, as applicable; VIII. Discussion of key uncertainties; IX. Rationale for adjusting emissions, if applicable; X. Methods and assumptions associated with adjusting emissions, if applicable. <p>[Forest definition used in the construction of the Reference Level 9.2] [Description of method used for calculating the average annual historical emissions over the Reference Period 8.3] [Activity data & emission factors used for calculating the average annual historical emissions over the Ref. Period 8.3] [Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 9.1]</p>	<p>NO</p>
<p>Most of the information necessary to replicate the methodology is included in the calculation tools and databases provided in the various Annexes, see the link http://marn.gob.gt/s/redd_/paginas/ER-PD_GUATEMALA</p> <p>I. Forest definition</p> <p>In the First draft there were variations between the forest definition applied in the estimation of emissions by degradation and there was no clarity in the percentage of tree cover used. This information was clarified and adjusted in the current (Advanced) Draft version. In the latter, Guatemala also provided an explanation clarifying how the minimum area of forest was applied in the Collect Earth methodology. The national forest definition has three elements: (a) minimum tree cover of 30%, (b) minimum area of 0,5 hectares and (c) a minimum width of 60 meters.</p> <p>II. Definition of classes of forests, (e.g., degraded forest; natural forest; plantation), if applicable:</p> <p>Guatemala used detailed information from forest inventory plots to develop the “Carbon Strata Map of Guatemala”. The four different classes of forests – and their respective carbon stocks – that were used in the ER-PD were defined on the basis of this map.</p> <p>III. Choice of activity data, and pre-processing and processing methods;</p> <p>In an Annex, Guatemala provided the protocol that was used in the First Draft to update the Reference Level activity data using Collect Earth for the reference period 2001-2016. However, this document was not updated by the country to be consistent with the modification of the reference period in the current (Advanced) Draft (2006-2016). In addition, it is not clear whether this information is publicly available.</p> <p>Therefore, indicator 6.1 is deemed not met. This non-compliance is characterized as MINOR considering that in order to meet the indicator, only a minor edit of the Advanced Draft ER-PD would be needed.</p> <p>IV. Choice of emission factors and description of their development;</p> <p>The “Carbon Strata Map of Guatemala”, was used to estimate the carbon content for the forest stratification used in the ER-PD. The information used to develop this map and to estimate emission factors was shared with the TAP and is publicly available.</p> <p>V. Estimation of emissions and removals, including accounting approach;</p>	

The country provides a calculation tool where information is integrated to estimate emissions and removals, allowing replication of the process and recalculation of the estimates.

VI. Disaggregation of emissions by sources and removal by sinks;

In the ER-PD, emissions are disaggregated by sources and absorption by sinks.

VII. Estimation of accuracy, precision, and/or confidence level, as applicable;

The methodology for the estimation of uncertainty, precision and accuracy is described in detail and the calculation tools used to estimate the confidence intervals, and the Montecarlo approach applied for the uncertainty propagation are provided.

VIII. Discussion of key uncertainties;

A discussion of the main sources of uncertainty based on the estimation of the error contribution of each data source used in the calculation of the final uncertainty is included.

IX. Rationale for adjusting emissions, if applicable;

N/A

X. Methods and assumptions associated with adjusting emissions, if applicable.

N/A

Ind 6.2 For the following spatial information, maps and/or synthesized data are displayed publicly, and reasonable efforts are made to explain how these were derived from the underlying spatial and other data, and to make key data sets or analyses publicly available:

- I. Accounting Area
- II. Activity data (e.g., forest-cover change or transitions between forest categories)
- III. Emission factors
- IV. Average annual emissions over the Reference Period
- V. Adjusted emissions

Any spatial data used to adjust emissions, if applicable.

[Forest definition used in the construction of the Reference Level 9.2]

[Description of method used for calculating the average annual historical emissions over the Reference Period 8.3]

[Activity data & emission factors used for calculating the average annual historical emissions over the Ref. Period 8.3]

[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 9.1]

NO

There is no evidence that the spatial or geographic information corresponding to the delimitation of the accounting area and the activity data, as well as the key databases to estimate the emission factors or calculate the annual average emissions, are publicly available.

Therefore, indicator 6.2 is considered not met. This non-compliance is classified as MINOR, considering that the indicator could be met simply by making the relevant data publicly available on Guatemala's existing REDD+ website.

C.7 Sources of uncertainty are systematically identified and assessed in Reference Level setting and Measurement, Monitoring and reporting

<p>Ind 7.1 All assumptions and sources of uncertainty associated with activity data, emission factors and calculation methods that contribute to the uncertainty of the estimates of emissions and removals are identified.</p> <p>[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period 8.3]</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 9.1]</p> <p>[Identification and assessment of sources of uncertainty 13.1]</p>	YES
<p>The First Draft of the ER-PD did not clearly identify all the assumptions and sources of uncertainty that are associated with the activity data and the emission factors, as well as the calculation methods used to establish the uncertainty of emissions and removals estimates. The current (Advanced) Draft provides a detailed analysis that solves this issue.</p> <p>For activity data, the Advanced Draft identifies errors associated with the sampling area and the classification method used, specifies sources of uncertainty that are related to the quality and resolution of the satellite images, the visual interpretation of the samples and the sampling design.</p> <p>In the case of the information derived from forest inventories, used to estimate emission factors, the ER-PD identified sources of error associated with the measurement, the allometric models applied, the sampled area and sampling error. Measurement and allometric errors are caused by Diameter at Breast Height (DBH) measurement, the use of default values and the errors inherent in allometric models. Sampling errors are related to the different sizes of the forest inventory plots, the original objectives of the forest inventories from which data was used, and the different sampling types used by these forest inventories.</p> <p>Therefore, this indicator is now considered to be in compliance.</p>	
<p>Ind 7.2 The sources of uncertainty identified in Indicator 7.1: are assessed for their relative contribution to the overall uncertainty of the emissions and removals.</p> <p>[Identification and assessment of sources of uncertainty 13.3]</p>	YES
<p>In the TAP evaluation of the First Draft ER-PD, this indicator was considered as not met because all the sources of uncertainty were not clearly identified. However, in the Advanced Draft, this indicator is considered as being in compliance, since for all the sources of uncertainty identified in the previous step, the contribution to the overall uncertainty was estimated.</p> <p>For activity data, the sources of uncertainty identified are now assessed in an aggregated manner, estimating the average and standard deviation by forest strata and land use, through the application of the Monte Carlo method.</p> <p>For emission factors, the Monte Carlo method was used to estimate their contribution as sources of uncertainty, disaggregated by forest strata and plot size. The estimation of the uncertainty in the removal factors in forest plantations, were disaggregated by coniferous and broadleaf forests.</p>	
<p>C 8 The ER Program, to the extent feasible, follows a process of managing and reducing uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting.</p>	

<p>Ind 8.1 Systematic errors are minimized through the implementation of a consistent and comprehensive set of standard operating procedures, including a set of quality assessment and quality control processes that work within the local circumstances of the ER Program.</p> <p>[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period, 13.2] [Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area]</p>	YES
<p>There is a description of the processes performed for the estimation of activity data and emission factors. The application of these procedures in an appropriate manner reduces the risk of incurring systematic errors.</p> <p>In the TAP evaluation of the First Draft of the ER-PD, this indicator was classified as not complied with. However, the further explanations provided by the country has led the TAP to conclude that the procedures applied are sufficiently robust for this indicator to be considered as having been complied with.</p> <p>The sources of uncertainty identified for activity data are minimized using a number of methods, such as the choice of the professional interpreters trained, the implementation of a visual interpretation protocol and the development of some scripts to facilitate interpretation and avoid mistakes and applying a quality assessment/quality control (QA/QC) of 5% of the samples.</p> <p>The sources of uncertainty identified for emission factors are minimized by the selection of allometric models related to DBH using tree decision models and establishing weights according to the size of the different plots, and by selecting the values for the generation of a map of carbon strata using the Monte Carlo and Bootstrap methods.</p>	
<p>Ind 8.2 Random errors and other uncertainties are minimized to the extent practical based on the assessment of their relative contribution to the overall uncertainty of the emissions and removals.</p> <p>[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period 10, 13] [Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 9.1] [Identification and assessment of sources of uncertainty 13.1]</p>	YES
<p>The best existing data are used at the national level, incorporating new estimated data through a methodology based on the visual analysis of high and medium spatial resolution imagery to estimate the activity data, in order to minimize the existing errors in the spatial information existing in the country. In the case of emission factors, a methodology is used to propagate the data of the various forest inventory plots existing in the country through the Montecarlo method, in order to minimize the uncertainty of the information.</p> <p>This information was clarified by the country after the TAP assessment of the First Draft ER-PD, and therefore the indicator is now considered to be in compliance.</p>	
<p>C 9 Uncertainty of activity data and emission factors used in Reference Level setting and Measurement, Monitoring and reporting is quantified in a consistent way, so that the estimation of emissions, removals and Emission Reductions is comparable among ER Programs</p>	

<p>Ind 9.1 Uncertainty associated with activity data and emission factors is quantified using accepted international standards, for example by providing accuracy, confidence interval, distribution of error, and propagation of error. Where errors in data and methods are considered large as defined in IPCC Guidelines, Monte Carlo methods (numerical simulations) should be used to estimate uncertainty</p> <p>[Activity data and emission factors used for calculating the average annual historical emissions over the Reference Period 13.1] [Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 9.1]</p>	<p>YES</p>
<p>Yes, the uncertainty analysis is estimated through internationally accepted methods, reporting the confidence interval and propagating the error through the Monte Carlo method.</p>	
<p>Ind 9.2 Uncertainty of the estimate of Emission Reductions is quantified using Monte Carlo methods. Underlying sources of error in data and methods for integrated measurements of deforestation, forest degradation and enhancements (e.g., as in a national forest inventory) are combined into a single combined uncertainty estimate and are reported at the two-tailed 90% confidence level</p> <p>[Quantification of uncertainty in Reference Level setting 13.2]</p>	<p>YES</p>
<p>In the First Draft, the Monte Carlo method had already been applied, but the combined estimate of the uncertainty had not been reported clearly in the ER-PD. In the Advanced Draft this has been remedied, and a 74% overall uncertainty has been reported.</p> <p>The uncertainty of the following parameters was estimated separately:</p> <ul style="list-style-type: none"> • Carbon stock for each forest strata • Carbon stock for each land use other than forest land • Emission and removal factors • Activity data for each REDD+ activity <p>The uncertainty for each parameter was combined to estimate the emission/removal uncertainty for each REDD+ activity and finally to report the overall uncertainty.</p> <p>Therefore, this indicator is now considered to be in compliance.</p>	
<p>Ind 9.3 Uncertainty of Emissions Reductions associated with deforestation, forest degradation and enhancements are reported separately if measured through separate (i.e., non-integrated) approaches and when degradation is estimated using proxy data.</p> <p>[Quantification of uncertainty in Reference Level setting 13.2]</p>	<p>YES</p>
<p>In the Advanced Draft of the ER-PD, the uncertainty is reported separately for each included REDD+ activity – in contrast to the First Draft where this had not been done.</p> <p>In the case of deforestation, the uncertainty is 81%, in the case of forest degradation 112%, and in the case of enhancement of forest carbon stocks the uncertainty is 185%.</p> <p>Therefore, this indicator is now considered to be in compliance.</p>	

C 10 The development of the Reference Level is informed by the development of a Forest Reference Emission Level or Forest Reference Level for the UNFCCC	
Ind 10.1 The Reference Level is expressed in tons of carbon dioxide equivalent per year [Estimated Reference Level 9.7]	YES
Yes, the Reference Level is reported in tons of carbon dioxide equivalent per year.	
Ind 10.2 The ER Program explains how the development of the Reference Level can inform or is informed by the development of a national Forest Reference Emission Level or Forest Reference Level, and explains the relationship between the Reference Level and any intended submission of a Forest Reference Emission Level or Forest Reference Level to the UNFCCC [Relation between the Reference Level, the development of a FREL/FRL for the UNFCCC and the country's existing or emerging greenhouse gas inventory 9.8]	YES
Although Guatemala has not submitted an FREL/FRL to the UNFCCC to date, the Advanced Draft ER-PD clearly explains how the reference level of the ER-PD will be linked to the FREL/FRL to be submitted to the UNFCCC, an improvement over the First Draft, which did not include this explanation. Therefore, this indicator is now considered in compliance.	
Ind 10.3 The ER Program explains what steps are intended in order for the Reference Level to achieve consistency with the country's existing or emerging greenhouse gas inventory [Relation between the Reference Level, the development of a FREL/FRL for the UNFCCC and the country's existing or emerging greenhouse gas inventory 9.6]	YES
Although in the First Draft of the ER-PD there was no reference to the consistency between the National Greenhouse Gas Inventory (NGHGI) included in the 2nd National Communication of Guatemala and the steps taken for the congruence between the reference level and the NGHGI, in the current (Advanced) Draft it is explained how consistency between the two will be achieved, through various actions led by the GIMBUT. Therefore, this indicator is now considered to be in compliance.	
C 11 A Reference Period is defined	
Ind 11.1 The end-date for the Reference Period is the most recent date prior to two years before the TAP starts the independent assessment of the draft ER Program Document and for which forest-cover data is available to enable IPCC Approach 3. An alternative end-date could be allowed only with convincing justification, e.g., to maintain consistency of dates with a Forest Reference Emission Level or Forest Reference Level, other relevant REDD+ programs, national communications, national ER program or climate change strategy [Reference Period 9.1]	YES

Yes, the end-date of the reference period is established in 2016.	
<p>Ind 11.2 The start-date for the Reference Period is about 10 years before the end-date. An alternative start-date could be allowed only with convincing justification as in Indicator 11.1, and is not more than 15 years before the end-date.</p> <p>[Reference Period 9.1]</p>	YES
<p>The reference period considered in the Advanced Draft ER-PD covers 10 years between 2006 and 2016. In the First Draft, the reference period for deforestation was 2001-2016 and the reference period for forest degradation 2006-2016, without a justification and clarification for the use of different reference periods for the two REDD+ activities. The TAP appreciates the changes made by Guatemala to address this indicator, which is now considered as having been complied with.</p>	
<p>C 12 The forest definition used for the ER Program follows available guidance from UNFCCC decision 12/CP.17</p>	
<p>Ind 12.1 The definition of forest used in the construction of the Reference Level is specified. If there is a difference between the definition of forest used in the national greenhouse gas inventory or in reporting to other international organizations (including an Forest Reference Emission Level or Forest Reference Level to the UNFCCC) and the definition used in the construction of the Reference Level, then the ER Program explains how and why the forest definition used in the Reference Level was chosen.</p> <p>[Forest definition used in the construction of the Reference Level 9.2]</p>	YES
<p>The ER-PD defines forest as the continuous surface with dominant cover of trees with a minimum canopy coverage of 30%, forming a mass of a minimum of 0.5 hectares and having a minimum width of 60 meters.</p> <p>In the First Draft there were variations between the forest definition applied in the estimation of emissions from degradation and the minimum percentage cover used was unclear. This information has been clarified and adjusted in the Advanced Draft version. Guatemala also provided an explanation clarifying how the minimum area of forest was applied in the Collect Earth methodology.</p> <p>Therefore, this indicator is now considered to be in compliance.</p>	
<p>C 13 The Reference Level does not exceed the average annual historical emissions over the Reference Period. For a limited set of ER Programs, the Reference Level may be adjusted upward by a limited amount above average annual historical emissions. For any ER Program, the Reference Level may be adjusted downward.</p>	
<p>Ind 13.1 The Reference Level does not exceed the average annual historical emissions over the Reference Period, unless the ER Program meets the eligibility requirements in Indicator 13.2. If the available data from the National Forest Monitoring System used in the construction of the Reference Level shows a clear downward trend, this should be taken into account in the construction of the Reference Level</p> <p>[Average annual historical emissions over the Reference Period 9.6, 13.2]</p>	YES
<p>The reference level is estimated as the average annual historical emissions over the reference period.</p>	

<p>Ind 13.2 The Reference Level may be adjusted upward above average annual historical emissions if the ER Program can demonstrate to the satisfaction of the Carbon Fund that the following eligibility requirements are met:</p> <p>(i) Long-term historical deforestation has been minimal across the entirety of the country, and the country has high forest cover (country or jurisdictional area);</p> <p>(ii) National circumstances have changed such that rates of deforestation and forest degradation during the historical Reference Period likely underestimate future rates of deforestation and forest degradation during the Term of the ERPA.</p> <p>[Explanation and justification of proposed upward or downward adjustment to the average annual historical emissions over the Reference Period, Quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period 9.6].</p>	N.A
<p>This indicator is non-applicable as Guatemala uses historical average emissions to set its Reference Level.</p>	
<p>Ind 13.3 For countries meeting the eligibility requirements in Indicator 13.2, a Reference Level could be adjusted above the average historical emission rate over the Reference Period. Such an adjustment is credibly justified on the basis of expected emissions that would result from documented changes in ER Program circumstances, evident before the end-date of the Reference Period, but the effects of which were not fully reflected in the average annual historical emissions during the Reference Period. Proposed adjustments may be rejected for reasons including, but not limited to:</p> <p>i. The basis for adjustments is not documented; or</p> <p>ii. Adjustments are not quantifiable.</p> <p>[Explanation and justification of proposed upward or downward adjustment to the average annual historical emissions over the Reference Period, Quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period 9.6]</p>	N.A
<p>This indicator is non-applicable as Guatemala uses historical average emissions to set its Reference Level.</p>	
<p>Ind 13.4 An adjustment of the Reference Level above the average annual historical emissions during the Reference Period may not exceed 0.1%/year of Carbon Stocks</p> <p>[Explanation and justification of proposed upward or downward adjustment to the average annual historical emissions over the Reference Period, Quantification of the proposed upward or downward adjustment to the average annual historical emissions over the Reference Period 9.6]</p>	N.A
<p>This indicator is non-applicable as Guatemala uses historical average emissions to set its Reference Level.</p>	

C 14 Robust Forest Monitoring Systems provide data and information that are transparent, consistent over time, and are suitable for measuring, reporting and verifying emissions by sources and removals by sinks, as determined by following Criterion 3 within the proposed Accounting Area

<p>Ind 14.1 The ER Program monitors emissions by sources and removals by sinks included in the ER Program’s scope (Indicator 3.1) using the same methods or demonstrably equivalent methods to those used to set the Reference Level.</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 10.1]</p>	<p>YES</p>
--	-------------------

The country indicates that it foresees the use of the same methods used to estimate the reference level for the monitoring events planned during ERPA implementation.

In the ER-PD First Draft there was no clarity about the method that will be used to estimate activity data. Guatemala indicated that the sampling method used in the reference level would be used in the monitoring phase, but also stated that a different method based on wall to wall maps will be used.

However, in the Advanced Draft ER-PD Guatemala has clarified that the monitoring report will use the same method used in the reference level to ensure the consistence between the reference level and the monitoring estimations.

Therefore, this indicator is now considered to be in compliance.

<p>Ind 14.2 Activity data are determined periodically, at least twice during the Term of the ERPA, and allow for ERs to be estimated from the beginning of the Term of the ERPA. Deforestation is determined using IPCC Approach 3. Other sinks and sources such as degradation may be determined using indirect methods such as survey data, proxies derived from landscape ecology, or statistical data on timber harvesting and regrowth if no direct methods are available</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 9.1]</p>	<p>YES</p>
--	-------------------

The country proposes an update of the reference level by the ERPA signature date, tentatively based on 2009-2019 (rather than 2006-2016) average emissions (see ER-PD Chapter 9.1); a first monitoring in the middle of the program from 2019 to 2021, a second monitoring from 2021 to 2023 and a final monitoring from 2023 to 2025.

The last monitoring report was not considered in the ER-PD First Draft, but Guatemala included it in the ER-PD Advanced Draft.

Therefore, this indicator is now considered to be in compliance.

<p>Ind 14.3 Emission factors or the methods to determine them are the same for Reference Level setting and for Monitoring, or are demonstrably equivalent. IPCC Tier 2 or higher methods are used to establish emission factors, and the uncertainty for each emission factor is documented. IPCC Tier 1 methods may be considered in exceptional cases</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 10.1]</p>	<p>YES</p>
--	-------------------

Yes, the country intends to use the same emission factors for Monitoring as the ones that were used in the Reference Level.

C 15 ER Programs apply technical specifications of the National Forest Monitoring System where possible	
<p>Ind 15.1 ER Programs articulate how the Forest Monitoring System fits into the existing or emerging National Forest Monitoring System, and provides a rationale for alternative technical design where applicable.</p> <p>[Relation and consistency with the National Forest Monitoring System 10.3]</p>	YES
<p>Yes, the National Forest Monitoring System is integrated into GIMBUT, the Inter-institutional Monitoring Group for Forests and Land Use.</p>	
C 16 Community participation in Monitoring and reporting is encouraged and used where appropriate	
<p>Ind 16.1 The ER Program demonstrates that it has explored opportunities for community participation in monitoring and reporting, e.g., of ER Program Measures, activity data, emission factors, safeguards and Non-Carbon Benefits, and encourages such community participation where appropriate</p> <p>[Measurement, monitoring and reporting approach for estimating emissions occurring under the ER Program within the Accounting Area 10.1, 10.3]</p>	YES
<p>Yes, community monitoring, which will address information on forest ecosystems and management practices in the territories, has been integrated in the Monitoring System.</p>	
C 17 The ER Program is designed and implemented to prevent and minimize potential displacement	
<p>Ind 17.1 Deforestation and degradation drivers that may be impacted by the proposed ER Program measures are identified, and their associated risk for displacement is assessed, as well as possible risk mitigation strategies. This assessment categorizes Displacement risks as high, medium or low.</p> <p>[Identification of risk of Displacement 11.1]</p>	NO
<p>The analysis of displacements at the national level is a new element in the Advanced Draft of the ER-PD, taking into account the modification of the accounting area from National (in the First Draft ER-PD) to Subnational. The fact that displacement is a potentially important issue for Guatemala's ER-PD is clearly demonstrated by the changes in the reference levels for deforestation and degradation following this modification of the accounting area: reducing the percentage of Guatemala's forests included in the ER Program area from 100 to 92% has reduced the baseline for emissions from deforestation by 10.8% and the baseline for emissions from degradation by 34.8%, i.e. considerably more than the 8% reduction in forest cover.</p> <p>The analysis includes some information on the potential risk of displacement of emissions to the three areas of the country that are outside the accounting area and notes some mitigating measures. The (deforestation) monitoring system in the Laguna del Tigre National Park (PNLT), one of the areas outside the ER Program area, has been maintained by CONAP for more than twenty years, and reinforced with international assistance from the Wildlife Conservation Society. This system publishes daily updates on ecological integrity and law enforcement among others. This early detection somewhat mitigates the risk of displacement of deforestation and degradation from the ER Program area, which is considered to be "medium" in the ER-PD. For another area outside the ER Program area, the "Costa de Conservacion" project, the risk of displacement of emissions towards this area is considered to be "low", since the implementation of a voluntary REDD+ project has started there over four years ago.</p>	

<p>The data on emissions reductions calculated for the ER Program, however, was not updated to take into account this national displacement risk. Although the ER-PD includes an analysis on how the drivers affect the different regions across the country, it is not clear from the ER-PD how the implementation of the ER Program might provoke displacement of emissions from inside the accounting area to the municipalities outside the accounting area, but within Guatemala's national borders.</p> <p>The Advanced Draft of the ER-PD also includes new text on international displacement. This discussion, however, appears to focus on how deforestation processes in Mexico and Belize might spill over into Guatemala. While this is also an important issue for the risk management of the ER Program, the FCPF MF criterion demands an analysis of the risk of displacing emissions from the ER Program area in Guatemala to neighbouring countries (without an obligation to discount emissions reductions, in contrast to national displacement risk, for which a displacement buffer is required).</p> <p>This non-compliance is considered to be MAJOR.</p>	
<p>Ind 17.2 The ER Program has in place an effective strategy to mitigate and/or minimize, to the extent possible, potential Displacement, prioritizing key sources of Displacement risk.</p> <p>[ER Program design features to prevent and minimize potential Displacement 11.2]</p>	NO
<p>Some new elements that could play a role in reducing displacement risk have been introduced in the Advanced Draft of the ER-PD, e.g. the National Strategy for Sustainable Cattle Raising with Low Emissions adopted in 2018 (Table 63). Yet the overall strategy to mitigate and/or minimize displacement is not yet in place, since – as noted under 17.1 above – there is insufficient clarity on how implementation of the ER Program could provoke displacement from the ER Program area to neighbouring areas outside the ERP accounting area, in Guatemala and in neighbouring countries.</p> <p>This non-compliance is considered to be MAJOR.</p>	
<p>Ind 17.3 By the time of verification, the ER Program has implemented its strategy to mitigate and/or minimize potential Displacement</p>	N.A
<p>Only applicable at the time of verification.</p>	
<p>Ind 17.4 ER Programs are also invited to report on changes in major drivers in the ER Accounting Area, any Displacement risks associated with those drivers, and any lessons from the ER Programs' efforts to mitigate potential Displacement</p>	N.A
<p>Only applicable at the time of verification.</p>	
<p>C 18 The ER Program is designed and implemented to prevent and minimize the risk of reversals and address the long-term sustainability of ERs</p>	
<p>Ind 18.1 The ER Program has undertaken an assessment of the anthropogenic and natural risk of reversals that might affect ERs during the Term of the ERPA and has assessed, as feasible, the potential risk of reversals after the end of the Term of the ERPA</p> <p>[Identification of risk of Reversals 12.1]</p>	YES

The first draft ER-PD did include an analysis of the potential reversals, however, following discussions during the country visit, the TAP deemed the risk level ratings provided to be too low and recommended a review of all the reversal risks listed.

In the Advanced Draft, the analysis of reversal risks has been deepened and the risk levels duly increased. Furthermore, information has been added concerning risk mitigation measures (see criterion 18.2 below).

The four risks that have been prioritized and their respective contributions to the overall risk reversal buffer of 23% are as follows: (A) lack of broad and sustainable support from ER Program stakeholders (medium, 5%); (B) Lack of institutional capacity and of cross-sectoral and vertical coordination (low, 0%); (C) Lack of effective means to address underlying drivers in the long term (medium, 3%); and (D) Exposure and vulnerability to natural disasters, such as droughts, fires (including anthropogenic ones) and hurricanes (high, 5%). NB 10% is added to the sum of A-D to arrive at the 23% total risk reversal buffer.

Ind 18.2 The ER Program demonstrates how effective ER Program design and implementation will mitigate significant risks of Reversals identified in the assessment to the extent possible, and will address the sustainability of ERs, both during the Term of the ERPA, and beyond the Term of the ERPA
[ER Program design features to prevent and mitigate Reversals 12.2]

YES

Yes, the country proposes a series of actions to mitigate the risks of potential reversals that have been identified. Risk mitigation measures for the four major reversal risks described under criterion 18.1 above are detailed in a 15-page table (Table 65 in Chapter 11.1 of the ER-PD). Key reversal risk mitigation measures included in the table are: for (A) Lack of stakeholder support, building on the experience of INAB’s forest incentive programs, which have worked successfully with 525,000 participants, including among others farmers, cooperatives, companies and municipalities and the existing high-level Presidential Dialogue Commission (CBD), which can be deployed in case of major stakeholder conflict; for (B) Lack of institutional capacity and cross-sectoral coordination, through the 15-year experience of the Inter-institutional Coordination Group (GCI) involving MARN, MAGA, INAB and CONAP, and through multi-stakeholder coordination mechanisms established for various forest protected areas; for (C) Lack of effective means to address underlying drivers, provisions of the Laws on Protected Areas and Forests that are aligned with REDD+, and the forest incentive programs providing financial support to stakeholders in return for reforestation, forest management and forest conservation activities; and for (D) Exposure and vulnerability to natural disasters, such as the forest fire monitoring and control mechanisms established by the community forest concessions in the Petén.

Subsequent to the ERPA implementation period, Guatemala will prevent reversals by (i) continuing the forest incentive programs, which are mandated by law over a thirty-year period and which had already invested USD 400 million of State funds over the 22-year period up to 2012; and (ii) renewing the community forest concessions that have successfully contained deforestation in the Maya Biosphere Reserve.

Observation. The Advanced Draft of the ER-PD references a CONAP roadmap for the renewal of community forest concessions with a personal communication from the Directorate of CONAP. It would be good if this roadmap could be made available to the TAP and/or published, and its status (adopted by the government? Subject to further consultation with local stakeholders?) clarified.

C 19 The ER Program accounts for Reversals from ERs that have been transferred to the Carbon Fund during the Term of the ERPA

<p>Ind 19.1 During the Term of the ERPA, the ER Program accounts for Reversals from ERs using one of the following options:</p> <ul style="list-style-type: none"> ▪ Option 1: The ER Program has in place a Reversal management mechanism (e.g., buffer reserve or insurance) that is substantially equivalent to the Reversal risk mitigation assurance provided by the ‘ER Program CF Buffer’ approach referred to in option 2 below, appropriate for the ER Program’s assessed level of risk, which in the event of a Reversal during the Term of the ERPA will be used to fully cover such Reversals. ▪ Option 2: ERs from the ER Program are deposited in an ER Program-specific buffer, managed by the Carbon Fund (ER Program CF Buffer), and based on a Reversal risk assessment. ERs deposited in the ER Program CF Buffer (Buffer ERs) will not be transferred to the Carbon Fund. In the event that a Reversal event occurs during the Term of the ERPA, an amount of Buffer ERs will be cancelled from the ER Program <p>[Reversal management mechanism, Selection of Reversal management mechanism 12.3]</p>	YES
<p>The country has chosen Option 2: ERs from the ER Program are deposited in an ER Program-specific buffer, managed by the Carbon Fund (ER Program CF Buffer), and based on a Reversal risk assessment. ERs deposited in the ER Program CF Buffer (Buffer ERs) will not be transferred to the Carbon Fund. In the event that a Reversal event occurs during the Term of the ERPA, the corresponding amount of Buffer ERs will be cancelled from the ER Program.</p>	
<p>C 20 The ER Program, building on its arrangements put in place during the readiness phase and during the Term of the ERPA, will have in place a robust Reversal management mechanism to address the risk of Reversals after the Term of the ERPA</p>	
<p>Ind 20.1 At the latest 1 year before the end of the Term of the ERPA, the ER Program will have in place a robust Reversal management mechanism or another specified approach that addresses the risk of Reversals beyond the Term of the ERPA</p>	N.A
<p>Only applicable one year before the end of the ERPA term.</p>	
<p>Ind 20.2 If the ER Program has selected option 2 under Indicator 19.1, all or a portion of the Buffer ERs of the ER Program, subject to a Carbon Fund review of the Methodological Framework and a decision of the parties to the ERPA in 2019, will be transferred to the mechanism identified in Indicator 20.1 at the end of the Term of the ERPA. If the ER Program fails to meet the requirements of Indicator 20.1, all remaining Buffer ERs in the ER Program CF Buffer will be cancelled</p>	N.A
<p>Only applicable before the end of the ERPA term.</p>	
<p>C 21 The ER Program monitors and reports major emissions that could lead to reversals of ERs transferred to the Carbon Fund during the Term of the ERPA</p>	
<p>Ind 21.1 The ER Program Monitoring Plan and Monitoring system are technically capable of identifying Reversals</p> <p>[Monitoring and reporting of major emissions that could lead to Reversals of ERs 12.4]</p>	YES

<p>The monitoring system has a national scope with periodic reports, so it is considered that the country will be able to comply with this indicator.</p> <p>In the First Draft ER-PD, a monitoring report for the period 2023-2025 had not been considered. Therefore, this indicator was deemed not to have been fully complied with. The Advanced Draft, however, includes a monitoring report for the period 2023-2025, thus allowing this indicator to be met.</p>	
<p>Ind 21.2. The ER Program reports to the Carbon Fund within 90 calendar days after becoming aware of any emissions in the Accounting Area or changes in ER Program circumstances that, in the reasonable opinion of the ER Program, could lead to Reversals of previously transferred ERs by the next Monitoring event. The ER Program explains how the potential Reversals would be addressed by additional ER Program Measures or by the Reversal management mechanism described in Indicator 19.1.</p>	<p>N.A</p>
<p>Only applicable at the time a reversal occurs and at the time of verification.</p>	
<p>C 22 Net ERs are calculated by the following steps:</p> <ol style="list-style-type: none"> 1. Subtract the reported and verified emissions and removals from the Reference Level 2. Set aside a number of ERs from the result of step 1, above, in a buffer reserve. This amount reflects the level of uncertainty associated with the estimation of ERs during the Term of the ERPA. The amount set aside in the buffer reserve is determined using the conservativeness factors for deforestation listed in the MF. For estimated emissions reductions associated with degradation, the same conservativeness factors may be applied if spatially explicit activity data (IPCC Approach 3) and high-quality emission factors (IPCC Tier 2) are used. Otherwise, for proxy-based approaches, apply a general conservativeness factor of 15% for forest degradation Emission Reductions. 3. Set aside a number of ERs in the ER Program CF Buffer or other reversal management mechanism created or used by an ER Program to address Reversals 	
<p>[Ex-ante estimation of the Emission Reductions 14.3]</p>	<p>YES</p>
<p>Yes, the country applies the procedure to estimate the emission reductions as in the proposed methodology, establishing set aside of emissions reductions by the degree of uncertainty and the level of reversal risk in two different steps.</p> <p>The addition of the calculation of the overall uncertainty of the emissions reductions in the Advanced Draft now allows this indicator to be in compliance.</p>	
<p>C 23 To prevent double-counting, ERs generated under the ER Program shall not be counted or compensated for more than once. Any reported and verified ERs generated under the ER Program and sold and/or transferred to the Carbon Fund shall not be sold, offered or otherwise used or reported a second time by the ER Program Entity. Any reported and verified ERs generated under the ER Program that have been sold and/or transferred, offered or otherwise used or reported once by the ER Program Entity shall not be sold and transferred to the Carbon Fund</p>	
<p>(i) [Participation under other GHG initiatives 14.1]</p>	<p>NO</p>

The ER Program is subnational (jurisdictional) in its scope with several projects (Guatecarbon, Lacandón) and initiatives (CALMECAC) fully accounted for (integral parts of the ER Program). Agreements (“*compromisos*”) will be concluded between the Program Entity (MINFIN) and the existing projects (*Guatecarbon, Lacandón*) to the effect that the projects will refrain from procuring project-level verification and certification for the full length of duration of their integration in the Program. Notice will be made to Verra/Verified Carbon Standard confirming the suspension of the projects concerned.

Observation: Such suspension is an adequate way to address the related double-counting risk. As the relevant agreements are not yet in place and as potential conflicts may arise from the fact that the Guatecarbon Project will not be fully integrated in the Program, this issue has to be re-examined – ideally on the basis of a copy of said agreements – once they are in place and, at the latest, prior to ER transfer under the ERPA.

There is one existing carbon project outside the boundaries of the ER Program (Fundaecco). While the ER Program excludes three (3) municipalities (Puerto Barrios, Livingston, Morales), it needs to be verified that there is no area overlap (with a double counting risk) outside these municipalities. The Fundaecco project is a “grouped project” with area limitations to the Department of Izabal, which includes the three above-mentioned municipalities as well as Los Amates and El Estor.

Given the above-mentioned issues, **this indicator is considered not met**. Non-compliance with this indicator is classified as **MINOR**, as the TAP assumes the clarification on demarcation can be made without difficulties and without impacting the ER Program in any substantial way.

(ii) [Data management and Registry systems to avoid multiple claims to ERs 19.2]

YES

The information provided in chapter 18.2 of the First Draft ER-PD did not clarify how the country would design and implement a Project Registry System, nor the minimum characteristics of an ER Transaction Registry System. This information was improved in the Advance Draft to meet the indicator.

Guatemala is designing a computer platform with applications that will contain information on all emissions reductions (ERs) transactions, based on international standards. At the same time, this platform will be linked to the databases of REDD+ projects and programs, specifically those projects that are entitled to issue ERs. The Advanced Draft ER-PD explains that the system will guarantee transparency and adequate documentation of emissions reductions transactions, in order to avoid double counting.

The Advanced Draft ER-PD also explains how the Data Management and Registry System (SMDRT) would guarantee that the credits related to the reductions and removals of GHG emissions will be issued, registered, transferred, withdrawn or properly cancelled.

The system will be managed by the Climate Change Direction and will allow the inscription of every single project or activity that generates GHG emission reduction or removals.

C 24 The ER Program meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+

<p>Ind 24.1 The ER Program demonstrates through its design and implementation how it meets relevant World Bank social and environmental safeguards, and promotes and supports the safeguards included in UNFCCC guidance related to REDD+, by paying particular attention to Decision 1/CP.16 and its Appendix I as adopted by the UNFCCC</p> <p>[Description of how the ER Program meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+ 15.1]</p>	<p>YES</p>
<p>As was the case in many other REDD+ countries, the Strategic Environmental and Social Assessment (SESA) of the Emissions Reductions Programs (ERP) was done before the completion of the National REDD+ Strategy. As a result, the Safeguards have been fully integrated in the National REDD+ Strategy. The ER-PD contains a series of useful tables listing the UNFCCC’s Cancun² safeguards and the World Bank’s Environmental and Social Framework³ triggered by each of the seven strategy options from the National REDD+ Strategy. Guatemala carried out an extensive consultation program in order to formulate its SESA, its Environmental and Social Management Framework (ESMF) and its Feedback and Grievance Redress Mechanism (FGRM), and has shared the drafts of all of these documents with participating stakeholders.</p>	
<p>Ind 24.2 Safeguards Plans address social and environmental issues and include related risk mitigation measures identified during the national readiness process, e.g., in the SESA process and the ESMF, that are relevant for the specific ER Program context (e.g., land tenure issues), taking into account relevant existing institutional and regulatory frameworks. The Safeguards Plans are prepared concurrently with the ER Program Document, and are publicly disclosed in a manner and language appropriate for the affected stakeholders</p> <p>[Description of how the ER Program meets the World Bank social and environmental safeguards and promotes and supports the safeguards included in UNFCCC guidance related to REDD+ 15.1]</p>	<p>NO</p>
<p>For the ER-PD, Guatemala developed a series of Safeguard Instruments for REDD+ implementation, including the Environmental and Social Management Framework (ESMF), an Indigenous Peoples Planning Framework (IPPF), and an Involuntary Resettlement Planning Framework (IRPF, which also deals with any changes in access to natural resources, even in the absence of any physical resettlement), in order to comply with the then extant Environmental and Social Safeguard Policies of the World Bank. Nevertheless, since the WB’s Environmental and Social Framework was changed in late 2018, the country will have to prepare a Stakeholder Engagement Plan and an Environmental and Social Commitment Plan. The latter two documents, which are currently under preparation, will need to be finalized for the ERP signature, and draft versions have to be included with the submission of the final version of the ER-PD.</p> <p>Therefore, indicator 24.2 is considered not met. This is a minor non-conformity.</p>	

² NB The Cancun safeguards related to displacements and reversals are not addressed here, but under indicators 17-20 above.

³ The new Environmental and Social Framework of the World Bank (WB) became effective on October 1st, 2018 and will be applied to all investments administered by the WB and approved after that date. The ESF consists, among others, of 10 Environmental and Social Standards. In practical terms, the safeguards instruments that were developed for the ER-PD under the previous WB Environmental and Social Safeguard Policies will remain relevant.

C 25 Information is provided on how the ER Program meets the World Bank social and environmental safeguards and addresses and respects the safeguards included in UNFCCC guidance related to REDD+, during ER Program implementation	
<p>Ind 25.1 Appropriate monitoring arrangements for safeguards referred to in Criterion 24 are included in the Safeguards Plans</p> <p>[Description of arrangements to provide information on safeguards during ER Program implementation 15.2 and 6.1]</p>	YES
<p>The institutional arrangements for the implementation of the safeguards by the four REDD+ implementing agencies are well-described, including a table with detailed indicators for the monitoring of the Cancun safeguards. The ER-PD also proposed a new Inter-institutional Committee for Environmental and Social Safeguards (CISAS) to facilitate the implementation of the safeguards.</p> <p>Observation. The proposed budget for the monitoring and the implementation of the environmental and social safeguards is currently not visible in the overall budget for ERP implementation provided in Annex III. It will have to be included in the final version of the ER-PD.</p>	
<p>Ind 25.2 During ER Program implementation, information on the implementation of Safeguards Plans is included in an annex to each ER monitoring report and interim progress report. This information is publicly disclosed, and the ER Program is encouraged to make this information available to relevant stakeholders. This information is also made available as an input to the national systems for providing information on how safeguards are addressed and respected (SIS) required by the UNFCCC guidance related to REDD+, as appropriate.</p>	N.A
<p>This will be evaluated at the time of verification.</p>	
C 26 An appropriate Feedback and Grievance Redress Mechanism (FGRM) developed during the Readiness phase or otherwise exist(s), building on existing institutions, regulatory frameworks, mechanisms and capacity	
<p>Ind 26.1 An assessment of existing FGRM, including any applicable customary FGRMs, is conducted and is made public. The FGRM applicable to the ER Program demonstrates the following:</p> <ul style="list-style-type: none"> i) Legitimacy, accessibility, predictability, fairness, rights compatibility, transparency, and capability to address a range of grievances, including those related to benefit-sharing arrangements for the ER Program; ii) Access to adequate expertise and resources for the operation of the FGRM <p>[Description of the Feedback and Grievance Redress Mechanism (FGRM) in place and possible actions to improve it 15.3]</p>	YES

<p>The four REDD+ implementing agencies (CONAP, INAB, MAGA and MARN) all have Feedback and Grievance Redress Mechanisms (FGRM). An evaluation of the existing FGRM was commissioned from Climate Policy and Law, IUCN and Winrock International, published on http://www.marn.gob.gt/Multimedios/9983.pdf. This Spanish language publication also contains recommendations for the FGRM to be adopted under the ERP.</p> <p>The inclusion of the reference to this publication in the Advanced Draft of the ER-PD is an improvement over the First Draft. Therefore, this indicator is now considered to be in compliance.</p>	
<p>Ind 26.2 The description of FGRM procedures, included in the Benefit-Sharing Plan and/or relevant Safeguards Plans, specifies the process to be followed to receive, screen, address, monitor, and report feedback on, grievances or concerns submitted by affected stakeholders. As relevant, the Benefit-Sharing Plan and/or relevant Safeguards Plans and/or ER Program Document describe the relationship among FGRM(s) at the local, ER Program, and national levels</p> <p>[Description of the Feedback and Grievance Redress Mechanism (FGRM) in place and possible actions to improve it 15.3]</p>	<p>YES</p>
<p>The description of the Feedback and Grievance Redress Mechanism (FGRM) for REDD+ in the ER-PD clearly establishes the structure of the mechanism, and the institutional responsibilities for its implementation. The proposed FGRM is based on the existing FGRM of the four REDD+ implementing agencies and on traditional conflict resolution mechanisms in different parts of the ERP area.</p> <p>Observation. The budget reserved for the implementation of the FGRM is currently not visible in the overall ERP implementation budget contained in Annex 3. It will have to be included in the final version of the ER-PD and closely supervised during the implementation of the ERP.</p>	
<p>Ind 26.3 If found necessary in the assessment mentioned in Indicator 26.1, a plan is developed to improve the FGRM</p> <p>[Description of the Feedback and Grievance Redress Mechanism (FGRM) in place and possible actions to improve it 15.3]</p>	<p>N.A.</p>
<p>Currently, no plan for improving the FGRM is necessary, so the indicator is considered not applicable.</p>	
<p>C 27 The ER Program describes how the ER Program addresses key drivers of deforestation and degradation</p>	
<p>Ind 27.1 The ER Program identifies the key drivers of deforestation and degradation, and potentially opportunities for forest enhancement</p> <p>[Analysis of drivers and underlying causes of deforestation and forest degradation, and existing activities that can lead to conservation or enhancement of forest carbon stocks 4.1]</p>	<p>YES</p>

<p>The ERP identifies the key drivers of deforestation and forest degradation, and the opportunities for enhancement of forest carbon stocks.</p> <p>Observation. The drivers’ analysis for deforestation and degradation is very general and does not include a geographical prioritization of deforestation “hotspots” and how to address the specific drivers in these “hotspots”. As a consequence, the proposed ERP does not appear to prioritize its activities to focus on the geographical areas where deforestation and degradation are most prevalent, in order to reduce emissions effectively and efficiently.</p>	
<p>Ind 27.2 The ER Program identifies currently planned ER Program Measures and how they address the key drivers identified in Indicator 27.1, and the entities that would undertake them</p> <p>[Description and justification of the planned actions and interventions under the ER Program that will lead to emission reductions and/or removals 4.3]</p> <p>[Institutional and implementation arrangements 6.1]</p>	<p>NO</p>
<p>Even if the ERP identifies the key drivers of deforestation and forest degradation, and the opportunities for enhancing forest carbon stocks, it does not propose any details on the impacts of the drivers in the different parts of the ERP area, that is, there is no geographic differentiation of the drivers of deforestation and degradation. As a consequence, there is no differentiation of key REDD+ strategic options to be applied in different parts of the ERP area either. This begs the questions: who will do what, where and why?</p> <p>In addition, there appears to be somewhat of a mismatch between the bulk of the government programs that will become the backbone of the ER Program, which are positive forest incentives programs, and the drivers of deforestation, some of which are to do with large-scale illegal activity – e.g. conversion of forest to pasture by narcotraficos – that will require law enforcement activities to address them in the short term, as well as incentive programs to encourage land users to align their activities with REDD+ objectives in the longer term. The information provided in Annex III on the budget for ER Program implementation is also insufficient to assess this issue. A better “mapping” of the 19 ER Program actions against the current government forest programs – including INAB’s various forest incentive programs and CONAP’s protected areas program – would also help to provide more clarity on this issue.</p> <p>This is a major non-conformity.</p>	
<p>C 28 The ER Program has undertaken and made publicly available an assessment of the land and resource tenure regimes present in the Accounting Area</p>	
<p>Ind 28.1 The ER Program reviews the assessment of land and resource tenure regimes carried out during the readiness phase at the national level (i.e., SESA) and, if necessary, supplements this assessment by undertaking an additional assessment of any issues related to land and resource tenure regimes in the Accounting Area that are critical to the successful implementation of the ER Program, including:</p> <ol style="list-style-type: none"> I. The range of land and resource tenure rights (including legal and customary rights of use, access, management, ownership, exclusion, etc.) and categories of rights-holders present in the Accounting Area (including Indigenous Peoples and other relevant communities); II. The legal status of such rights, and any significant ambiguities or gaps in the applicable legal framework, including as pertains to the rights under customary law; III. Areas within the Accounting Area that are subject to significant conflicts or disputes related to contested or competing claims or rights, and if critical to the successful implementation of the ER Program, how such conflicts or disputes have been or are proposed to be addressed; and 	<p>YES</p>

IV. Any potential impacts of the ER Program on existing land and resource tenure in the Accounting Area.

The ER Program demonstrates that the additional assessment has been conducted in a consultative, transparent and participatory manner, reflecting inputs from relevant stakeholders

[Description of land tenure systems, analysis of laws and regulatory framework 4.4 and 4.5, stakeholder consultation process 5.1]

The Advanced Draft ER-PD provides a detailed discussion of property rights and other tenure types in Guatemala, as well as tenure uncertainties and conflicts and their legal and institutional framework. It also presents research results that appear to confirm the correlation between tenure uncertainty and deforestation/degradation and demonstrate that community forest concessions – established in the 1990s – have had a positive impact on forest protection and sustainable habitat management.

Most agricultural lands are held by large family or business estates; the rest is used mostly for subsistence farming by small-holder farmers (land distribution in Guatemala had a GINI coefficient of 0.84 in 2003, indicating a high level of inequality). There is nonetheless a growing number of community holdings. While the law does not recognize indigenous land holdings per se, indigenous communities can hold land as owners or concessionaires through registering as cooperatives or associations. The Constitution, which was adopted in 1985, obliges the government to provide state land to indigenous communities for development purposes (Art. 68 Constitution). The first community forest concessions were attributed in 1992, and the subsequent Peace Agreements of 1996 gave a major impetus for the implementation of both the Constitution and the community forest concessions program. As a result, some 15% of land in Guatemala today is managed by communities (“tierras comunales”). Since 2005/2009, the law also permits registration of community lands in the land registry. A separate case of community holdings concerns the Maya Biosphere Reserve – which nominally consists of mostly state land – where a number of concessions have been given out to local communities in the aftermath of the 1996 Peace Agreements.

Beyond existing community lands, institutional support is offered to rural families with insufficient land holdings. The Fondo de Tierras aims at supporting almost 800,000 families by 2025. Several of the land programs – associated with the ER Program – also seek to improve access to land for communities and small-holder farmers (notably the forest incentive program PINPEP, which also extends to protected areas).

The designation of land as “protected area” does not affect pre-existing private / community tenure holdings. It does, however, prevent fresh (unlawful) appropriations however (“usurpation”).

Concerning the forest carbon projects included in the ER Program: the Guatecarbon Project integrates 14 forest management concessions, of which two are held by industries and the remaining twelve by local communities. The Lacandón Project is implemented on private (community) property. For the CALMECAC project (under development), specific data is not yet available.

The Lacandón project has witnessed few, if any, tenure conflicts. The Guatecarbon project, on the other hand, paints a more mixed picture. While the large majority of community forest concessions have lived up or exceeded expectations in terms of legal certainty, regulated sustainable usage by communities, and low deforestation, three concessions have become inactive due to consistent violations of the sustainable forest management clauses in the concession contracts. Two of the community forest concessions have been canceled as a consequence, however; another one is under revision. The project also includes areas for which no concession has been given out, and where the overall tenure situation is contentious. It is due to these conflicts that the areas concerned are excluded from the ER Program.

An issue of wider concern, for the active concessions, is the future of forest concessions generally. Representatives of local communities asserted during the TAP visit that they had not been given certainty that concessions – some of which are due to expire during the next decade – would be renewed, neither have clear guidelines for renewal been made

public. The ER-PD notes, on the other hand, that the process for renewal is laid out in the legal texts and that renewal decisions cannot be anticipated (see also observation under Indicator 18.2).

Outside of the projects, individuals and communities alike suffer from the structural weaknesses of Guatemala’s tenure regime, in particular lack of recognition of formalized title and scarce access to land. Over the last decade, there has been growing recognition that tenure weaknesses and tenure conflicts need to be tackled. One institution, the Secretariat for Agrarian Matters (“SAA”), has a strong track record in monitoring and addressing individual tenure conflicts. (Across Guatemala, some 1500 conflicts – most concerning the recognition of title – are pending).

Ind 28.2 The ER Program explains how the relevant issues identified in the above assessment have been or will be taken into consideration in the design and implementation of the ER Program, and in the relevant Safeguards Plan(s). If the ER Program involves activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, the relevant Safeguards Plan sets forth an action plan for the legal recognition of such ownership, occupation, or usage. Beyond what is required for the successful implementation of the ER Program, the ER Program is encouraged to show how it can contribute to progress towards clarifying land and resource tenure in the Accounting Area, where relevant.

[Assessment of land and resource tenure in the Accounting Area 4.4]

[Description and justification of the planned actions and interventions under the ER Program that will lead to emission reductions and/or removals 4.3]

YES

The ER Program is built on the triad of (i) carbon project initiatives, (ii) key forest incentive programs (such as PROBOSQUE, PINPEP, and FIP), and (iii) specific forest governance measures (linked to protected areas and others). The forest incentive programs, in particular, aim at the integration of lawful, if informal, landholders (“poseedores”) and, thus, help address the above-mentioned land tenure challenges. In addition, the various FIP projects under preparation also seek to design payment-for-ecosystem-services (PES) instruments for improved forest protection and forest governance.

This said, a sensible strategy will be needed to address tenure conflicts throughout the ER Program Area. The inter-institutional cooperation highlighted in the ER-PD – involving CONAP, INAB, MAGA et MARN – will be important in this respect.

Ind 28.3 The ER Program provides a description of the implications of the land and resource regime assessment for the ER Program Entity’s ability to transfer Title to ERs to the Carbon Fund

[Transfer of Title to ERs 18.2]

YES

Guatemala defines title to ERs in its Framework Law on Climate Change (Art. 22). According to this law, land owners and “lawful landholders” (“poseedores legales”) have a right to be recognized as carbon project/program proponents and to hold direct title to ERs. While there is some debate concerning the meaning of “lawful landholders”, it seems appropriate to deem the term explicit enough to include non-formalized customary tenure holders.

While ownership/lawful landholding is a necessary condition for ER title, such title does not flow automatically from the landholding. Rather, the owner/landholder needs to associate herself/himself with a project/program.

As noted in Chapter 17 of the Advanced Draft ER-PD, this means that (1) the ER Program must be inclusive securing full accessibility for all land owners and lawful landholders willing to participate; and (2) the Program Entity must obtain express authorization from participating landowners/lawful landholders to transfer ER title.

Altogether, ER title recognizes land tenure, and vice versa. The main challenges for the ER Program will be to secure – not just in abstract, but *in concreto* – that communities and individuals are provided with accessible tools for association/participation and that all active contributors give their express authorization to transfer title (see further Indicator 33.1).

C 29 The ER Program provides a description of the benefit-sharing arrangements for the ER Program, including information specified in Indicator 30.1, to the extent known at the time.

Description of benefit-sharing arrangements [16.1 in ER-PD of 15 Jan. 2016]

YES

Since the First Draft, the ER-PD includes “preliminary” conceptual elements for the benefit sharing plan. Finalization of this plan is not a requirement at the ER-PD stage. Nevertheless, the conceptual framework for the benefit sharing plan is solid, especially in relation to design principles transparency and equal access; compliance with the legal and institutional framework; effectiveness; equity; efficiency; as well as solidarity (shared liability) as well as in relation to the planned synchronization with existing REDD+ initiatives and projects.

C 30 The Benefit Sharing Plan will elaborate on the benefit-sharing arrangements for Monetary and Non-Monetary Benefits, building on the description in the ER Program Document, and taking into account the importance of managing expectations among potential beneficiaries.

Ind 30.1 The Benefit-Sharing Plan is made publicly available prior to ERPA signature, at least as an advanced draft, and is disclosed in a form, manner and language understandable to the affected stakeholders for the ER Program. The Benefit-Sharing Plan contains the following information:

The categories of potential Beneficiaries, describing their eligibility to receive potential Monetary and Non-Monetary Benefits under the ER Program and the types and scale of such potential Monetary and Non-Monetary Benefits that may be received. Such Monetary and Non-Monetary Benefits should be culturally appropriate and gender and inter-generationally inclusive. The identification of such potential Beneficiaries takes into account emission reduction strategies to effectively address drivers of net emissions, anticipated implementers and geographical distribution of those strategies, land and resource tenure rights (including legal and customary rights of use, access, management, ownership, etc. identified in the assessments carried out under Criterion 28), and Title to ERs, among other considerations.

Criteria, processes, and timelines for the distribution of Monetary and Non-Monetary Benefits.

Monitoring provisions for the implementation of the Benefit-Sharing Plan, including, as appropriate, an opportunity for participation in the monitoring and/or validation process by the Beneficiaries themselves

[Description of benefit-sharing arrangements 16.1]

NO

The benefit arrangements foresee the following in terms of beneficiary and benefit identification.

Identification of beneficiaries: The beneficiaries are identified at the (sub-) program level, i.e. at the level of the Government-led programs, on the one hand – PROBOSQUE, PINPEP, CONAP Program, and the various FIP projects – and at the level of the private or public private initiatives, on the other hand (Guatecarbon, Lacandón, CALMECAC).

Identification of benefits: The tentative approach is to distribute benefits among the (sub-) programs according to the area-size (Project A = xx hectares; Project B = yy hectares; Program C = zz hectares, etc.), with a fixed hectare price (e.g. 25 US\$). It is stressed that the area-size must reflect actual activities and not simply state abstract project/program boundaries.

The general approach is robust. If the REDD+ activities are embedded in the projects and (sub)-programs, the participants/beneficiaries will be identified through those projects and programs. The blanket hectare-approach for the calculation of benefits may be highly standardized – allowing little focus on channeling benefits to hotspot areas – but presents a clear metric in principle.

Both the identification of beneficiaries and the benefit distribution approach hold ambiguities in this particular program, however, caused by the uncertain integration of the existing programs with 19 REDD+ specific actions which range from improving forest governance to the implementation of payment for ecosystem services to the creation of stakeholder dialogue formats and the adoption of enhanced forest monitoring instruments. It is not clear how these actions will be implemented within – and in *addition* to – the (sub-) programs in terms of subject-matter, institutional governance, budget, and agents.

For the area size calculation: Will all the sub-programs and all their activities (sustainable forest management, agroforestry schemes, plantations, restoration and conservation) be eligible in principle? The Advanced Draft ER-PD makes clear that the benefit sharing plan will only account for actual REDD+ implementation (activity-driven approach). It is not clear from the text, however, which sub-program activities qualify *in abstracto* and how they are identified *in concreto*.

The benefit sharing arrangements need to include the conceptual approach for *how and to whom* the Program benefits will flow and to what extent they are used to implement the ER Program. If there is no clear separation between the 19 REDD+ activities of the ER Program and the base activities of the associated programs and initiatives, the test for activity-implementation may not bring any results.

Chapter 6.2 of the Advanced Draft ER-PD includes the information that 50% of the ER proceeds will flow to landowners through INAB, but it is unclear for which action(s) and under which program. The budgetary overview (Annex 3) is inconclusive, as it does not distinguish between specific ER Program funding (funds spent on the 19 different REDD+ actions identified in the ER-PD) and total funding of the associated programs (PROBOSQUE, PINPEP, etc.).

A separate issue concerns the timing of the benefit distribution. The Advanced Draft ER-PD is silent on the matter, yet it seems a crucial design element to either align benefit distribution with ERPA payments or dis-align benefit distribution (or parts of it) from them.

The benefit sharing arrangements contemplate the conclusion of agreements between the (sub-) program entities and the beneficiaries. While the institutions concerned (INAB and CONAP in particular) have a long-standing experience with operating programs at the granular (community- and farmer-level), it is not clear what the specific ER Program terms and the exact scope of beneficiaries are not clear. What are the activities that go beyond the base activities of the program, and who leads them? In that context, it should also be made clear how the agreements will be followed up on. As the ER Program will not permit a granular monitoring approach (the tracing of ERs hectare by hectare), other performance indicators need to be established. The Advanced Draft ER-PD makes a broad reference to project/program level “MRV Reports”, but no clear approach for their preparation is presented.

Chapter 15.3 of the Advanced Draft ER-PD states that INAB will “prepare a legal instrument or modify or bring up to date existing legal instruments, in order to facilitate the transfer of emission reductions to the respective state entity”. How this relates to the contractual approach otherwise suggested is unclear. Furthermore, it is not clear why INAB would be the competent authority to prepare such a legal instrument.

Finally, concerning next steps: Chapter 15.2 of the Advanced Draft ER-PD outlines a roadmap (“*ruta de trabajo*”) for establishing the actual benefit sharing plan, yet it is generic and includes few details in terms of stakeholder engagement, timeline, and mode of finalization/adoption.

Overall, the deliberations on benefit sharing arrangements seem to be at an early stage, and a comprehensive approach concerning selection of benefit-eligible actions and the identification of beneficiaries is not yet apparent.

The Advanced Draft ER-PD is deemed non-compliant with this indicator (**MAJOR Non-Compliance**).

C 31 The benefit-sharing arrangements are designed in a consultative, transparent, and participatory manner appropriate to the country context. This process is informed by and builds upon the national readiness process, including the SESA, and taking into account existing benefit-sharing arrangements, where appropriate

Ind 31.1 The Benefit-Sharing Plan is prepared as part of the consultative, transparent and participatory process for the ER Program, and reflects inputs by relevant stakeholders, including broad community support by affected Indigenous Peoples. The Benefit-Sharing Plan is designed to facilitate the delivery and sharing of Monetary and Non-Monetary Benefits that promote successful ER Program implementation. The Benefit-Sharing Plan is disclosed in a form, manner and language understandable to the affected stakeholders of the ER Program

NO

[Description of stakeholder consultation process 5.1]

[Summary of the process of designing the benefit-sharing arrangements 16.2]

Benefit sharing arrangements have been discussed during 2017 and 2018 at different levels and in a range of national and regional consultations, taking into account the SESA evaluation and other information sources, platforms and mechanisms (see chapter 5). However, it is not entirely clear from the Advanced Draft ER-PD whether the consultations were held in an open and inclusive manner addressing also local language thresholds. Generally, as many of the elements of the Benefit Sharing Plan remain to be clarified, much of the consultation needs will be in the future. This relates both to the development phase of the benefit sharing plan as well as to the consultation of the final plan. As compliance cannot be anticipated, the indicator is deemed not met (**MINOR** non-compliance given that remedial action is readily available).

C 32 The implementation of the Benefit-Sharing Plan is transparent

Ind 32.1 Information on the implementation of the Benefit-Sharing Plan is annexed to each ER Program monitoring report and interim progress report and is made publicly available [16.1]

N.A

This will be evaluated at the time of verification.

C 33 The benefit-sharing arrangement for the ER Program reflects the legal context

<p>Ind 33.1 The design and implementation of the Benefit-Sharing Plan comply with relevant applicable laws, including national laws and any legally binding national obligations under relevant international laws</p> <p>[Description of the legal context of the benefit-sharing arrangements 16.3]</p>	<p>NO</p>
<p>Various of the (sub-) programs – including PROBOSQUE and PINPEP – are legislative instruments. The ER Program needs to verify that they are open for the type of actions envisaged and can become an integral part of the benefit sharing plan. Chapter 15.3 lists the various legislative instruments but does not discuss the questions of compliance.</p> <p>For the purpose of Article 22 of the Framework Law on Climate Change, all landowners / lawful landholders must expressly agree to their affiliation with the ER Program. The Benefit Sharing Plan both is a key element of any explicit agreement between landowners/-holders and the Program Entity and presents itself as the instrument to achieve the express agreements. While the Final ER-PD appears to embrace both functions in abstract, it fails to demonstrate that a process is in place to achieve the consent of all landowners/-holders concerned. This concerns less the capacity of INAB to interact with communities and farmers one by one (there is evidence that this capacity exists) but rather the difficulty to identify the scope of beneficiaries in the first place. As it is not clear which of the ER Program Activities apply to which participants in the base programs (PROBOSQUE etc.), the contractual approach remains opaque.</p> <p>The Advanced Draft ER-PD is deemed non-compliant with this indicator (MINOR Non-Compliance).</p>	
<p>C 34 Non-Carbon Benefits are integral to the ER Program</p>	
<p>Ind 34.1 The ER Program outlines potential Non-Carbon Benefits, identifies priority Non-Carbon Benefits, and describes how the ER Program will generate and/or enhance such priority Non-Carbon Benefits. Such priority Non-Carbon Benefits should be culturally appropriate, and gender and inter-generationally inclusive, as relevant</p> <p>[Outline of potential Non-Carbon Benefits and identification of Priority Non-Carbon Benefits 17.1 in the reviewed ER-PD of 15 January 2016]</p>	<p>YES</p>
<p>The non-carbon benefits have been identified and prioritized by means of four regional workshops and consultations with stakeholders participating in the voluntary REDD+ project “Costa de conservacion”. For each of the seven REDD+ strategy options, the Advanced Draft ER-PD (section 16.1) summarizes the kinds of non-carbon benefits that will be generated by the different REDD+ activities.</p> <p>Therefore, this indicator is now considered to be in compliance.</p>	
<p>Ind 34.2 Stakeholder engagement processes carried out for the ER Program design and for the readiness phase inform the identification of such priority Non-Carbon Benefits</p> <p>[Description of stakeholder consultation process 5.1]</p>	<p>YES</p>
<p>The non-carbon benefits have been identified and prioritized by means of four regional workshops and consultations with stakeholders participating in the voluntary REDD+ project “Costa de conservacion”.</p>	

C 35 The ER Program indicates how information on the generation and/or enhancement of priority Non-Carbon Benefits will be provided during ER Program implementation, as feasible.	
Ind 35.1 The ER Program proposes an approach utilizing methods available at the time to collect and provide information on priority Non-Carbon Benefits, including, e.g., possibly using proxy indicators. If relevant, this approach also may use information drawn from or contributed as an input to the SIS [Approach for providing information on Priority Non-Carbon Benefits 17.2]	NO
<p>The information on non-carbon benefits will be generated by four key elements: (i) The Safeguards Information System described in Chapter 14.2 of the ER-PD; (ii) The Monitoring, Reporting and Verification (MRV) system described in Chapter 9; (iii) the Feedback and Grievance Redress Mechanism (FGRM) detailed in Chapter 14.3; (iv) the Monitoring and Reporting of REDD+ projects and the FIP Program. Nevertheless, the strategy for communicating information on non-carbon benefits is still under preparation.</p> <p>This is a major non-conformity.</p>	
Ind 35.2 Information on generation and/or enhancement of priority Non-Carbon Benefits will be provided in a separate annex to each ER Program monitoring report and interim progress report, and will be made publicly available	N.A
This will be evaluated at the time of verification.	
C 36 The ER Program Entity demonstrates its authority to enter into an ERPA and its ability to transfer Title to ERs to the Carbon Fund	
Ind 36.1 The ER Program Entity demonstrates its authority to enter into an ERPA with the Carbon Fund prior to the start of ERPA negotiations, either through: i. Reference to an existing legal and regulatory framework stipulating such authority; and/or ii. In the form of a letter from the relevant overarching governmental authority (e.g., the presidency, chancellery, etc.) or from the relevant governmental body authorized to confirm such authority. [Authorization of the ER Program 18.1]	YES
<p>The Advanced Draft of the ER-PD states that MINFIN has the legal authority to sign the contract with the World Bank in accordance with Art. 35 r) of Decree 114-97 of the Congress of the Republic of Guatemala, Law of the Executive Body.</p> <p>This clause establishes that the Ministry of Public Finance is in charge of the following functions: "Managing the constitution, in any of the institutions of the national banking system, of the trusts, funds and other financial instruments and the execution of the programs of the Central Government, as well as regulating, registering and controlling its operation").</p>	

The Advanced Draft of the ER-PD also states that the Congress of the Republic must authorize the execution of the ERPA before signing.

Provided such authorization can be demonstrated before the signing of the ERPA, Indicator 36.1 can be deemed met.

Ind 36.2 The ER Program Entity demonstrates its ability to transfer to the Carbon Fund Title to ERs, while respecting the land and resource tenure rights of the potential rights-holders, including Indigenous Peoples (i.e., those holding legal and customary rights, as identified by the assessment conducted under Criterion 28), in the Accounting Area. The ability to transfer Title to ERs may be demonstrated through various means, including reference to existing legal and regulatory frameworks, sub-arrangements with potential land and resource tenure rights-holders (including those holding legal and customary rights, as identified by the assessments conducted under Criterion 28), and benefit-sharing arrangements under the Benefit-Sharing Plan

[Transfer of Title to ERs 18.2]

NO

The Advanced Draft ER-PD foresees the conclusion of an authorization agreement between the Program Entity – MINFIN – and:

- each of the participating projects (Guatecarbon, Lacandón, CALMECAC), whereby, as part of the negotiation process, valid title of each of the project proponents, as derived from the project stakeholders will be verified; and
- each beneficiary under any of the forest incentive programs (PROBOSQUE, PINPEP, etc.) that is participating in the ER Program

The agreements are set to lay down that participating landowners/lawful landholders cede their Emission Reductions (ER) title to the Government of Guatemala.

This approach seems viable, at least in general, and in line with Art. 22 of the Framework Law on Climate Change (see above, Indicators 28.3 and 33.1). However, as noted before, the Final ER-PD raises a number of specific questions concerning the proper identification of the contractual partners and the contracting process (outside of the *Guatecarbon* and *Lacandón* projects, where the allocation of rights appears a priori settled). Under the associated (forest incentives) programs (PROBOSQUE, PINPEP, etc.), it seems difficult to separate those agents which engage both in the relevant program *and* any of the 19 ER Program actions from those that only engage in the relevant associated program. This challenge is linked to the difficulty in defining exactly how the 19 Program activities will be integrated in the various associated programs and to what extent they are different from the base activities in each case (see above, Indicator 30.1).

The question of identification aside, the specific procedure to ensure full and complete outreach – i.e. the offer to all eligible stakeholders to participate in the ER Program, the definition of specific activities for each type or group of stakeholders, the definition of specific benefits, and the transfer of ER rights defining the terms of engagement – is not explained. In this respect, the core elements of the relevant contracts should be clear and laid out at this stage. The Advanced Draft ER-PD notes that such clarification will be made as part of the final ER-PD document. The TAP cannot anticipate, however, whether the future document will comply with the indicator concerned.

The fact that INAB is preparing a little explained legislative instrument to deal with the transfer of ERs (above, Indicator 33.1) makes the situation even more uncertain and tentative at this stage. How such an instrument relates to the contractual approach must also be outlined in the final ER-PD. It goes without saying that transfer of title from any participants to the Program Entity can be established through a legal instrument in principle (subject to its compliance

with Article 22 or any revised provision of the latter). There would need to be more clarity on the form and content, however, of any forthcoming legal instrument.

It is noted that the project under development, CAMECAC, may fall in a different category (deemed altogether compliant with the indicator). Initial agreements with participating municipalities have been signed (though the TAP has not seen copies or been informed on the specific content), and the Final ER-PD describes that the core details of the project, including allocation of title to ER, will be in place by the time the ERPA is signed (p. 332). (**Observation:** The issue must be re-assessed / confirmed at the time the ERPA is concluded or, at the latest, prior to ER transfer.)

The risk of double counting between the ER Program and the existing projects is explained, and convincing mitigation strategies have been suggested. The possible exception is the Fundaeco project, for which the risk of geographic and activity-overlap is maintained (see above, Indicator 23.1). A clarification to the exact boundaries must be made in the final ER-PD.

The ER-PD is deemed non-compliant with this indicator (**MAJOR Non-Compliance**).

Ind 36.3 The ER Program Entity demonstrates its ability to transfer Title to ERs prior to ERPA signature, or at the latest, at the time of transfer of ERs to the Carbon Fund. If this ability to transfer Title to ERs is still unclear or contested at the time of transfer of ERs, an amount of ERs proportional to the Accounting Area where title is unclear or contested shall not be sold or transferred to the Carbon Fund
[Transfer of Title to ERs 17.2]

NO

The Indicator is dependent on the outcome of Indicator 36.2. As long as Indicator 36.2 is deemed non-compliant, this Indicator 36.3 is equally deemed non-compliant.

Since there is no separate issue of non-compliance, non-compliance is deemed **MINOR**.

C 37 Based on national needs and circumstances, the ER Program works with the host country to select an appropriate arrangement to avoid having multiple claims to an ER Title.

Ind 37.1 Based on national needs and circumstances, the ER Program host country has made a decision whether to maintain its own comprehensive national REDD+ Program and Projects Data Management System, or instead to use a centralized REDD+ Programs and Projects Data Management System managed by a third party on its behalf. In either case of a country's use of a third party centralized REDD+ Programs and Projects Data Management System, or a country's own national REDD+ Programs and Projects Data Management System, the indicators below apply
[Data management and Registry systems to avoid multiple claims to ERs 18.2]

YES

Guatemala has decided to create a System for Data Management and Transaction Registry (SMDRT) for the ERP that will operate at national scale. Chapter 18.2 of the Advanced Draft ER-PD describes how the registry part of the SMDRT will be linked to Guatemala's REDD+ MRV system in order to avoid multiple claims to emissions reductions.

<p>Ind 37.2 A national REDD+ Programs and Projects Data Management System or a third party centralized REDD+ Programs and Projects Data Management System needs to provide the attributes of ER Programs, including:</p> <ul style="list-style-type: none"> i. The entity that has Title to ERs produced; ii. Geographical boundaries of the ER Program or project; iii. Scope of REDD+ activities and Carbon Pools; and iv. The Reference Level used. <p>An ER Program for the Carbon Fund should report its activities and estimated ERs in a manner that conforms to the relevant FCPF Methodological Framework C&Is</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 18.2]</p>	<p>YES</p>
<p>Following the comments from the TAP on the problematic boundaries of the ER Program Area contained in the First Draft of the ER-PD (element iii above), Guatemala has clarified that the ERP is a sub-national program, with three well-defined areas excluded. So all the four key attributes of Guatemala’s national REDD+ Programs and Project Data Management System are now in place.</p> <p>Therefore, this indicator is considered to have been complied with.</p>	
<p>Ind 37.3 The information contained in a national or centralized REDD+ Programs and Projects Data Management System is available to the public via the internet in the national official language of the host country (other means may be considered as required).</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 19.2]</p>	<p>NO</p>
<p>The above-mentioned System for Data Management and Transaction Registry (SMDRT) is not yet operational.</p> <p>This is a major non-conformity.</p>	
<p>Ind 37.4 Administrative procedures are defined for the operations of a national or centralized REDD+ Programs and Projects Data Management System; and an audit of the operations is carried out by an independent third party periodically, as agreed with the Carbon Fund</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 18.2]</p>	<p>NO</p>
<p>The administrative procedures for the above-mentioned SMDRT have not yet been defined.</p> <p>This is a major non-conformity.</p>	
<p>C 38 Based on national needs and circumstances, ER Program host country selects an appropriate arrangement to ensure that any ERs from REDD+ activities under the ER Program are not generated more than once; and that any</p>	

ERs from REDD+ activities under the ER Program sold and transferred to the Carbon Fund are not used again by any entity for sale, public relations, compliance or any other purpose	
<p>Ind 38.1 Based on national needs and circumstances, the ER Program host country has made a decision whether to maintain its own national ER transaction registry, or instead to use a centralized ER transaction registry managed by a third party on its behalf</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 18.2]</p>	YES
<p>Guatemala has decided to create a nation-wide Data Management and Transaction Registry System (SMDRT) for the ER Program. To establish this, the government has called on technical support from a specialized consultancy. The SMDRT will need to have the following elements: (i) a data management system; (ii) a transaction registry.</p>	
<p>Ind 38.2 The national or centralized ER transaction registry reports ERs for the Carbon Fund using the accounting methods and definitions described above in the MF</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 19.2]</p>	NO
<p>The general dispositions for the SMDRT provided in Chapter 18.2 of the Advanced Draft ER-PD are sound, but conformity with the Methodological Framework is not demonstrated, and while there is a roadmap for the completion of the SMDRT, this has no dates associated with the milestones.</p> <p>This is a major non-conformity.</p>	
<p>Ind 38.3 An independent audit report certifying that the national or centralized ER transaction registry performs required functions is made public.</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 19.2]</p>	N.A
<p>This indicator is not applicable at this stage.</p>	
<p>Ind 38.4 Operational guidance exists, or is in advanced stage of preparation, that clarifies the roles and responsibilities of entities involved in the national or centralized ER transaction registry, as well as rules for operation of the registry.</p> <p>[Data management and Registry systems to avoid multiple claims to ERs 19.2]</p>	NO
<p>This indicator has not been evaluated for lack of information.</p> <p>This is a major non-conformity.</p>	

Annex 1 to the TAP technical assessment