

Inter-American Development Bank (IDB) – Guatemala

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

Operation number of grant:	GU-T1194
Reporting period / Fiscal year:	01/01/2016-31/12/2016
Last update:	N/A

OPERATION BASIC DATA

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

FINANCIAL DATA IN USD

Approved project cost (IDB) total:	3,800,000.00
Accumulated disbursements (IDB) total until 31/12/2016 (report date):	1,842,474.98
Outstanding commitments: total until 31/12/2016 (report date):	207,324.95
Planned disbursements (IDB) for report period 01/01/2016 to 31/12/2016:	976,627.43
Accumulated disbursements (IDB) for report period 01/01/2016 to 31/12/2016:	976,627.43
Outstanding commitments: for report period 01/01/2016 to 31/12/2016:	207,324.95

OVERVIEW

Operation objectives:

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

Overall progress from 01-01 2016 to 31-12-2016 with regard to achieving operation objectives

- **Component 1:**
 - There is already a draft of the systematization of ex ante consultations and the context of the consultation at the national level. The design of the Consultation Plan and methodology is currently under way, which will include strengthening the capacity of the Inter Agency Coordination Group (GCI)¹ to design and implement the REDD+ consultation.
 - Involvement of stakeholders at the level of the territories, mainly local communities and indigenous peoples, has continued to be promoted under the development of the Common Approach tools (SESA, ESMF and FGSM).

- **Component 2:**
 - The common language on REDD + has been strengthened by agreeing that Guatemala bases its National REDD+ Strategy on **two policy guidelines:**
 - Strengthening the economic instruments of the Forestry Law, and
 - Strengthening of the Guatemalan Protected Areas System (SIGAP)
 - Under these two guidelines the country proposes **7 REDD+ strategy options:**
 - Harmonization of policy framework, plans and instruments for all sectors linked to land use, change in land use and forest - environmental management;
 - Promotion and strengthening of national land use planning;
 - Strengthening of institutional capacities for forest monitoring and protection, enforcement operations and control of illegal logging;
 - Strengthening of existing programs and creation of new incentive mechanisms for forest and agroforestry conservation, protection and management activities, (economic and non-economic) and for wood energy production;
 - Development of the regulatory and institutional framework for the recognition of the economic importance of forest goods and services, including forest carbon;
 - Encouragement of productive activities and compatible livelihood means with conservation and sustainable management of forests and agroforestry landscapes;
 - Development and Implementation of a Strategy for sustainable Fuel wood use

 - And under this strategy options, a more detailed level can be found within the **REDD+ activities:**
 - Sustainable management of natural forests for productive purposes;
 - Promotion of agroforestry and silvopastoral systems;
 - Reforestation for energy, timber and functional restoration of forest lands;
 - Monitoring, monitoring and control of forest fires, land use change, and illegal activities (Strengthening governance in forest lands);

¹ GCI comprised by the Ministry of Environment and Natural Resources (MARN), Ministry of Agriculture, Livestock and Food (MAGA), National Forest Institution (INAB) and National Protected Areas Council (CONAP)

- To promote productive activities compatible with the conservation of the forests (Development of competitiveness and legality in the chain of products of forestry value);
 - Improved (sustainable) forest management.
 - The REDD+ strategy options proposed are based on the experience of more than 25 year of forestry management and are supported by several policy instruments such the Forestry Law, Protected Areas Law, Energy Policy, Agricultural Plan, amongst others; all articulated with the National Development Plan Katún 2032 and the Government Policy.
 - Regarding the mainstreaming of gender considerations in the national REDD+ process, the gender and REDD+ roadmap is already in place which defines the strategic actions required to incorporate gender considerations into the three phases of the REDD + mechanism (per component). During the first half of 2017, with the support of UNDP and IUCN, the systematization of this roadmap and the design of mediated material for dissemination were carried out. The Gender Units / Directorates are developing the strategy to implement this roadmap with the joint participation of the woman leaders who participated in the construction of the same.
 - Bidding process is being done for: i) Analysis for the evaluation of land use, the factors causing change in land use, forest legislation, policies, and management; ii) Benefit sharing mechanism and iv) Systematization of the national REDD+ strategy.
 - There is already a systematization of the forest policy framework and forest governance.
 - An advance draft of the Strategic Environmental and Social Assessment (SESA) is available and it is being worked on the elaboration of the Environmental and Social Management Framework (ESMF) and the Feedback Grievance Redress Mechanism (FGRM).
- **Component 3:**
 - The Inter-Agency Group for Monitoring (GIMBUT, comprised by GIS Units of GCI and academia) has finished the reference emissions scenarios for the three REDD+ modalities: deforestation, degradation (forest fires) and enhancing carbon stock. This work has been done in collaboration with SIG technicians hired with FCPF and UNDP funds, and USAID/CNCG project.
 - **Component 4:**
 - The design of the national REDD+ Information System (SIREDD+) includes monitoring and information of GHG emissions, multiple benefits, other impacts, management and safeguards.
 - National MRV system will be based on existing platforms used by GCI for information exchange and there is already an analysis and definition of the SIREDD+, a revision of all existing platforms within GCI and an institutionalization proposal is being under construction.

Overall progress from 01-01 2016 to 31-12-2016 with regard to implementation of grant financed activities

Of the total FCPF grant of \$3.8 million, IDB has made disbursements amounting to \$1,842,474.98. To date, the country has committed \$ 1,997,747.79 and executed \$1,507,337.08 of total grant (total execution of 40% of total grant).

The Execution Unit has been strengthened to expedite the implementation of the operation: It has been hired the Coordinator.

Four GIS technicians have been rehired to continue the support to the GIS Units of GCI in charge of the elaboration of the national reference emission scenarios within GIMBUT.

Planned activities and achieved milestones:

Component 1 Organization and Consultation:

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

- The national REDD+ process is being led by the Interagency Coordination Group (GCI, formed by the Ministry of Environment and Natural Resources –MARN-, the Ministry of Agriculture Livestock and Food Security –MAGA-, National Council for Protected Areas –CONAP- and the National Forestry Institution –INAB-), both political and technical level.
- It has continued the coordination process with strategic partners to complement activities for the readiness phase (partners like USAID –CNCG project-, UICN, PNUD and FAO)
- From the total FCPF funds (US\$3.8 M), 53% are committed and 40% executed.

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

- The design of the Consultation Plan and methodology has started.
- Participation of local stakeholders has been reinforced under the elaboration of the SESA and ESMF process.

Component 2 REDD+ Strategy Preparation:

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

- Bidding process almost concluded for the Assessment of Land Use, Land-Use Change Drivers, Forest Law, Policy and Governance;

Sub-component 2b. REDD+ strategy options:

- Activities have been prioritized and bidding process has started for: (a) Design of indicators for monitoring , reporting and evaluation of forest degradation, (b) Support for linking the preparation of the National REDD + Strategy with strategically political agendas of prioritize sectors in the country, (c) Digitalization of polygons incentivized during the term of Forestry Incentives Program (PINFOR), (d) Design and development of image of the National REDD+

Strategy, (e) Design of the national benefit sharing mechanism, (f) Natural forest for water production mapping under the PROBOSQUE Law, and (g) Informatics PROBOSQUE tool.

Sub-component 2c. Implementation framework:

- The systematization of the policies and forest governance Framework has concluded and will be used for the driver's analysis.

Sub-component 2d. Social and environmental impacts:

- Advanced draft of SESA and under preparation of the ESMF and FGRM
- Roadmap for the inclusion of gender considerations in the three REDD+ phases (readiness, implementation and payment results) has concluded. The systematization process of the gender roadmap has finished.

Component 3 Reference emissions level

- National reference emission scenarios finished for the three REDD+ modalities: deforestation, degradation (forest fires) and enhancing carbon stock.
- A bidding process is ongoing for the acquisition of equipment to strengthen the four GIS Units of GCI

Component 4 Monitoring systems for forests and safeguards

- The design of the national REDD+ information system (SIREDD+) has already started and the system will include monitoring and information of GHG emissions, multiple benefits, other impacts, management and safeguards (SIS).

IMPLEMENTATION OF THE FCPF COMMON APPROACH

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

IDB's social and environmental safeguards and policies will be applied in accordance to the FCPF Common Approach. This is being applied in the Environmental and Social Management Framework (ESMF).

Applied environmental and social sustainability standards 01-01 2016 to 31-12-2016:

The environmental and social standards (environmental assessment, natural habits, forests, involuntary resettlement and indigenous peoples) were taken into account during the elaboration of the terms of reference of all the activities within the four components of the strategy, and being applied in the preparation of different products.

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

The preparation of products within the four components of the strategy was done through participatory process with local stakeholders from: public sector, local communities, indigenous people, NGOs, private sector, academia, amongst others. The main activities involving stakeholders' engagement are: (i) SESA,

ESMF and FGRM, (ii) Systematization of the gender roadmap and its implementation strategy, and (iii) Reference emission scenarios.

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

The elaboration of the four components of the REDD+ National Strategy is being done with multiple stakeholders within workshops and work meetings. Exchange information with stakeholders is being done through the REDD+ sub portal web under the Ministry of Environment webpage.

Progress has been done with the design of the consultation plan and methodology, and it is expected to be done by October 2017. There is already a systematization of ex ante participatory and consultation process.

During the elaboration of the Strategic Environmental and Social Assessment (SESA), multiple stakeholders (public, local communities, indigenous people, private sector, local governments, etc.), have preliminary identify grievance under the REDD+ strategy options. The FGRM structuring has started and it is expected to finish by the end of 2017.

Description of progress of preparation of ESMF until 01/05/2016 (report date). Is the ESMF prepared in accordance with the Common Approach?

Regarding the FCPF Common Approach of the Environmental and Social Safeguards, there is an advance draft of SESA report which includes a preliminary identification of the mitigation actions for the social and environmental impacts identified. The ESMF is being prepared, for which 4 regional workshops will be held in August 2017 to identify with local stakeholders the mitigation strategy for the impacts prioritized.

The IDB worked with the FMT to prepare the terms of reference of the FGRM, SESA, ESMF, to guarantee consistency in implementation under the terms set forth in the Common Approach. The specific areas involving potential gaps between IDB's and World Bank's policies are limited and specific and none has arisen in the actual operating context of FCPF activities in Guatemala handled by the IDB.

The preparation of the SESA, ESMF and FGRM is expected to be done at the end of 2017.

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

All documents that have been generated under the framework of the development of the National REDD+ Strategy are public. They are hosted in the REDD+ sub portal within the Ministry of Environment and National Resources (MARN) webpage: <http://www.marn.gob.gt/s/redd>

All the information about the readiness phase such as the results of workshops, meetings and jointly planning with stakeholder and some products of the strategy can be found in the REDD+ sub portal. This is also supported by the Transparency and access to information Act, 57-2008.

All the project's framework documents are available at the project website hosted in the IDB's webpage: <http://www.iadb.org/en/projects/project-description-title,1303.html?id=GU-T1194>.

DISBURSEMENTS

Disbursement summary in US\$:

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Outstanding commitments:	207,324.95

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

01-01 2016 to 31-12-2016

No.	Activities	Committed (ene- dic 2016)	Disbursed (ene- dic 2016)
COMPONENT 1: Organization and Consultation			
Consulting services			
TOTAL CONSULTANCIES		\$0.00	\$0.00
Goods and services			
1	Printing of materials for the socialization of the PROBOSQUE Regulation (decree 02-2015)	\$0.00	\$8,098.68
2	Socialization PROBOSQUE Law (Decree 02-2015)	\$0.00	\$17,420.39
3	Workshops, trainings, meetings	\$0.00	\$114,922.92
4	Air tickets	\$0.00	\$24,538.38
TOTAL GOODS AND SERVICES		\$0.00	\$164,980.38
TOTAL COMPONENT 1		\$0.00	\$164,980.38
COMPONENT 2: REDD+ strategy preparation			
Consulting services			
5	Elaboration of SESA, ESMF and FGSM	\$199,970.00	\$99,984.00
6	Systematization of the Forest Policy and Governance Framework	\$16,617.63	\$16,617.63
7	Support the linkage of the preparation of the National REDD + Strategy with the political agendas strategies of priority sectors in the country.	\$85,082.28	\$22,121.39
8	Support for the coordination of gender activities in protected areas	\$3,398.86	\$3,398.86
TOTAL CONSULTANCIES		\$305,068.77	\$142,121.88
Goods and services			
TOTAL GOODS AND SERVICES		\$0.00	\$0.00
TOTAL COMPONENT 2		\$305,068.77	\$142,121.88

COMPONENT 3: Reference emissions scenarios			
Consulting services			
9	Eight GIS technical (two per each GCI institution x 24 months)	\$150,421.71	\$150,421.71
10	Feasibility of REDD + pilot actions in the Sierra de las Minas Biosphere Reserve	\$15,972.57	\$15,972.57
11	Technical and financial feasibility of REDD + initiatives in privately owned protected areas	\$5,812.34	\$5,812.34
12	Harmonization of REDD+ early activities in protected areas of the Caribe REDD+ region	\$27,119.98	\$16,980.75
13	Coordinator of Technicians, GIS for the National Strategy REDD +	\$6,004.41	\$6,004.41
TOTAL CONSULTANCIES		\$205,331.01	\$195,191.79
Goods and services			
14	Institutional strengthening CONAP, INAB, MAGA and MARN for the development of the national emission scenarios (purchase of software and hardware)	\$89,390.69	\$89,390.69
TOTAL GOODS AND SERVICES		\$89,390.69	\$89,390.69
TOTAL COMPONENT 3		\$294,721.71	\$284,582.48
COMPONENT 4: MRV systems			
Sub component 4a and 4b: National forest monitoring system and information system for multiple benefits, other impacts, governance and safeguards			
Consulting services			
15	National information system for GHG emission, multiple benefits, other impacts, governance and safeguards	\$249,024.00	\$49,804.80
TOTAL CONSULTANCIES		\$249,024.00	\$49,804.80
TOTAL COMPONENT 4		\$249,024.00	\$49,804.80
TOTAL REDD+ PROJECT		\$848,814.48	\$641,489.53

Brief Description with commitments and plans for 2017-2018:

The following table shows the activities planned per component as well as their objective, expected date and costs for 2017-2018:

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

11	Regulation for the National Forests Fund (FONABOSQUES from the PROBOSQUE Law)	\$9,000.00
TOTAL CONSULTANCIES		\$807,533.33
TOTAL COMPONENT 2		\$807,533.33
COMPONENT 3: Reference emissions scenarios		
Consulting services		
12	Feasibility of REDD+ early activities in the biosphere reserve of Sierra de las Minas	\$15,000.00
13	Feasibility for estimating emission reductions through agroforestry as REDD+ initiatives in western region	\$20,000.00
14	Technical and financial feasibility of agroforestry systems as REDD+ initiatives in western region	\$20,000.00
15	GIS technical coordinator	\$44,000.00
16	Harmonization of REDD+ early activities in protected areas of the Caribe REDD+ region	\$50,000.00
TOTAL CONSULTANCIES		\$149,000.00
Goods		
17	Equipment for GIS technical	\$50,000.00
18	Institutional strengthening CONAP, INAB, MAGA and MARN for the development of the national emission scenarios (purchase of software and hardware)	\$531,124.68
TOTAL GOODS AND SERVICES		\$581,124.68
TOTAL COMPONENT 3		\$730,124.68
COMPONENT 4: MRV systems		
Sub component 4a and 4b: National forest monitoring system and information system for multiple benefits, other impacts, governance and safeguards		
Consulting services		
19	National MRV system for information and monitoring GHG emission, multiple benefits, other impacts, governance and safeguards	\$442,788.89

TOTAL CONSULTANCIES	\$442,788.89
TOTAL COMPONENT 4	\$442,788.89
TOTAL REDD+ PROJECT	\$2,651,066.42

<u>EXPECTED</u> Committed money (US\$) of operation 2016- 2017	Committed money (US\$) of operation 2015	<u>EXPECTED</u> Percentage of Committed operation funds in 2016-2017	Total amount (US\$) of operation
\$1,974,558.09	\$1,825,441.91 (48% committed)	52%	3,800,000.00