

English Translation

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Engineer

Fredy Antonio Chiroy Barreno

Deputy Minister of Natural Resources and Climate Change

Ministry of Environment and Natural Resources Your Office

Dear Mr. Vice-Minister:

In response to transmission No. DCP-SON-DNCI-0113-2021 dated February 16 requesting a response to the comments expressed in the Chair's Summary of the Carbon Fund Meeting, where the - Emission Reduction Program Document (ERPD) of Guatemala was presented, being:

- Continue to address the rising risk to people and organizations promoting and defending human rights in environmental matters, in the spirit of the recently signed Escazú Agreement (pending congressional ratification).

The country has the Office of the Attorney General for Human Rights (PDH) led by the Solicitor for Human Rights who is commissioned by the Congress of the Republic for the Defense of Human Rights established in the Political Constitution of the Republic of Guatemala, the Universal Declaration of Human Rights, the international treaties and conventions accepted and ratified by the country. For the fulfilment of its powers, he/she is not contingent on anybody, institution or official and acts with absolute independence. Who provides accompaniment for the research and documentation regarding allegations of both environmental damage and the integrity of leaders, individuals or environmental organizations. This PDH plays a mediation role in the fulfillment of the above-mentioned rights. In addition, there are PDH delegations throughout the national territory to address any type of complaint whether environmental or on human rights. These function as guarantors of human rights compliance with both the complainant and the accused.

- Manage the risk that community forest concessions in Petén may not be renewed, given the change in government in January 2020.

The risk was correctly addressed in 2020 as forest concession contracts that would expire in 2022 and 2023 have been renewed. On the part of the Government of Guatemala, the governing entity has addressed the issue in the Draft Letter of ER Title Transfer, noting the following:

In this case, the concession period may be renewed at the request of the concessionaires upon request two years prior to the expiration of the concession contract and provided that they have complied with the terms of the current concession contracts as provided for in Article 41 of the Rules for the Award of Concessions for the Use and Management of Renewable Natural Resources in the Multiple Use Area of the Biosphere Reserve Maya and other applicable legislation.

In this regard, the renewal of the two Carmelite and *impulsores suchitecos* concessions (Carmelite Management Units and Chanchic River) that expired during the ERPA period, mentioned in the Chair Summary-FMT/FCPF, 2019 (p. 3 and 4), was managed in the sense that the Rules for the Award of Concessions for the Use and Management of Renewable Natural Resources in the Multiple Use Area of the Maya Biosphere Reserve were updated, granting legal certainty to the applications for the extension of contracts and the two extensions of the contracts referred to were processed and successfully granted resolutions for new contracts for 25 more years, this management [process], was carried out during the year 2019 and 2020, hence complying with the observations of the Chair's Summary.

The negotiations for the renewal of two concession contracts were successful, ensuring that there will be no interruption in the implementation of the contract and the activities of the concessions. In addition, CONAP stipulates that when a forest concession is acquired, they must participate in the REDD+ Guatecarbon project, and that the ERs generated are from both as joint implementers and that the concessionaires benefit from the project's benefit sharing plan.

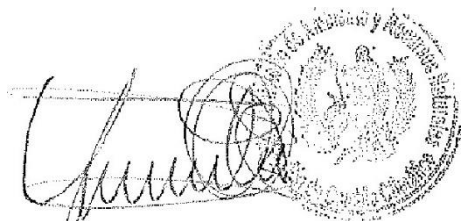
In the event of cancellation or suspension of a concession contract, this has no consequence with regards to the title of ownership of the ERs, since the areas of the project as well as protected areas are lands of the State of Guatemala. In order to reduce the lack of management of the forest area and to ensure the generation of ERs during the period of cancelation or suspension, CONAP will assume the management and administration of cancelled or suspended concessions, if applicable.

- Manage the potential implication of the Climate Change Law and its regulations on the Benefit-Sharing Plan as the Climate Change Law stipulates that the Climate Change Fund must designate 80% to climate adaptation.

Under Guatemala's Emission Reduction Program – ERP - through Decree 20-2020 of the Congress of the Republic of Guatemala, specifically article 5. Emission Reduction Payment Agreements (ERPA), it is specified that for the management of resources of this program, an account will be opened with the bank of Guatemala, according to the applicable rules. The payment of beneficiaries will be through the Ministry of Public Finance. Therefore, payments for results arising from emission reductions in this Program will be handled through the program-specific guidelines.

- Continue efforts to provide long-term financial sustainability for the ER Program and address any financial gaps.

Currently, the Government of Guatemala, through MINFIN, is in search of sources of funding for the Executing Unit of the Program. Moreover, the participating institutions MARN, MAGA, CONAP and INAB will seek sources of financing for the implementation of actions and to cover the commitments arising from the Program within the framework of their competences.

The image shows a handwritten signature in black ink over a circular official seal. The seal features the coat of arms of Guatemala and text around its perimeter, including 'REPUBLICA DE GUATEMALA' and 'COMISIÓN ASesoradora Técnica'. The signature is written in a cursive style.

GCI Technical Secretariat
Ing. Ciriaco Antonio Urrutia Lemus
Director of Climate Change

Ministry of Environment and Natural Resources