

# **Annual Report on Progress of Implementing Readiness Activities Guatemala**

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## 1. EXECUTIVE SUMMARY

Guatemala's progress in the preparation of the National REDD+ Strategy, can be summarized as follows:

### Component 1: Strengthening REDD + Stakeholder Engagement

- a. Due to the COVID 19 crisis, the south-south experience sharing travels planned for 2020 were not implemented. Associated funding was redirected towards Component 2 and 3 related activities.
- b. Implementation of consultations as well as Participation and Outreach activities:
  - i. In 2020, 8 territorial dialogue and participation plans were designed. Due to the COVID 19 crisis, the third round of dialogue and the national REDD+ socialization forum planned for 2020 were not implemented. Associated funding was redirected towards Outcomes 2 and 3 related activities.
  - ii. 280 communicational products were designed and disseminated among which one video on the REDD+ strategy and process in Spanish, subtitled in English and 5 local languages, 4 flyers, communication material on the MIAQ (flyers, comics and radio spots in Spanish and local languages), 69 graphical pieces of online communication, 66 audiovisual pieces of online communication, 1 website (National Climate Change Information System- SNICC), and 2 apps (1 app on forest fire monitoring, 1 app on forest degradation and deforestation monitoring). The REDD+ communication material was disseminated on social medias, and gathered 2,6 K followers on Facebook, 300 followers on Twitter, 221 on Instagram. Additionally, the REDD+ infographics, MIAQ and gender roadmap communication material were printed and disseminated through the Inter Institutional Coordination Group (GCI).
- c. No activity was planned for 2020.

### Component 2: Strengthening the linkage of the National REDD + Strategy with the national policy and planning framework

- a. *Development of a methodology to articulate the national REDD+ strategy with local policy instruments.* The alignment of municipal planning with the REDD+ strategy was conducted in 1 municipality.
- b. *Development of policy instruments linked to the REDD+ strategy.* In 2020, two (2) policy instruments linked to the REDD+ were designed: the Nationally Appropriate Mitigation Action (NAMA) for the Efficient Use of Firewood and alternative fuel in rural indigenous communities, and a pilot plan for GHG emission reductions in the transport sector through the use of ethanol in gasoline.
- c. *REDD+ strategy design:* in 2020, the REDD+ strategy, its action plan and the indigenous peoples' roadmap for the implementation of the REDD+ strategy were designed.
- d. *REDD+ Implementation Framework.* In 2020, the national REDD + benefit sharing mechanism and the Information and Complaint Mechanism (MIAQ) have been designed. The MIAQ mechanism was developed building on a MIAQ pilot implemented in one municipality.

- e. *Design of financial mechanisms for the implementation of REDD+*. In 2020, two (2) financial mechanisms contributing to the implementation of REDD+ were designed and approved: the Forest Investment Plan – Project 2 (GU-L1165, GU-G1005) and project 3 (GU-T1280).
- f. *Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance*. In 2020, three (3) assessments were conducted: i) Econometric and geo-spatial analysis of deforestation and degradation drivers; together with an analysis of barriers that prevent addressing the drivers of deforestation and forest degradation, ii) Sustainable productive zoning for the harmonization of the productive and forest landscape and iii) Pre-feasibility analysis to generate a baseline of geographic distribution of forest pests and diseases at the national level.

**Component 3: Design and strengthening of the Monitoring, Reporting and Verification system at the territory level**

- a. *Forest reference emission levels and forest reference levels (FREL/FRL)*. In 2020, the forest cover dynamic map and the forest reference emission levels and forest reference levels (FREL/FRL) for the period 2006-2016, were completed.
- b. *Design of virtual platforms for the operationalization of the REDD+ MRV system*. Five virtual platforms were designed for the operationalization of the REDD+ MRV system: i) [the National Information system on Climate Change \(SNICC\)](#); ii) the [REDD+ Monitoring, Reporting and Verification \(MRV\) platform](#) (hosted in the SNICC), which includes the Information and Complaint mechanism, the project registry, the monitoring platform for non-carbon benefits, the safeguards information system (SIS), and the benefit distribution platform among others; iii) Three (3) mobile apps: one on forest fire monitoring, one on deforestation and forest degradation monitoring, one for community monitoring, and iv) the Safeguards and Safeguards Information System, hosted in the SNICC.
- c. *Institutional strengthening and studies for the implementation of a national forest monitoring system*. In 2020, the following eight (8) studies were conducted:
  - In support to CONAP: i) Analysis of the emission reduction potential of national lands within the National System of Protected Areas (SIGAP), ii) Design and socialization of a regulation linked with the REDD+ benefit distribution system enabling the implementation of activities of CONAP's Program for Protected Areas (Program 31) through third parties, iii) Mapping of actors in Laguna del Tigre National Park, as a starting point for a Project Document (PD).
  - Pre-feasibility analysis for projects focused on the quantification of soil organic carbon in the Sierra de las Minas Biosphere Reserve and the carbon stored in forests.
  - Design of PD for the REDD+ project Reddes locales.
  - GHG emission reduction monitoring report for 2014-2017 for the REDD+ project Lacandón Bosques Para la Vida.
  - GHG emission reduction monitoring report for 2017-2018 for the REDD+ project Costa de la Conservación.
  - Verification of emission reduction for 2019 for the REDD+ project Costa de la Conservación.
  - Verification of emission reduction for the period 2014-2018 for the REDD+ project Lacandón Bosques Para la Vida.

- Capacity developments manuals (3) on MRV were designed for the project Reddes Locales,
  - GuateCarbon: design and implementation of a capacity development plan to strengthen forest concessions.
- d. *Creation of a mechanism for community monitoring linked to the national MRV system.* An app was created for community-based forest monitoring linked to the national MRV system, building on a pilot implemented in one municipality. A capacity development programme was implemented to enhance the capacities of key local actors (5 associations of municipalities/mancomunidades and local forest organizations) implementing REDD+ projects to implement community monitoring and ensure the operationalization of the community based MRV. Additionally, the following activities and products were developed in support to key local actors: i) formalization of the Red PINPEP through legal assistance; consolidation of the organizational structure through the implementation of an organizational assessment and the design of an organizational strengthening plan; ii) design and implementation of a capacity development plan linked with REDD+ for Alianza Nacional de Organizaciones Forestales Comunitarias de Guatemala (ANOF CG).
- e. *Design of monitoring and evaluation systems.* Three monitoring and evaluation systems were designed: i) the REDD+ MRV system, hosted in the SNICC, ii) a monitoring platform for non-carbon benefits, hosted in the MRV system and iii) a set of three app for forest monitoring linked to the national MRV system. In order to make the monitoring and evaluation systems operational, the GCI, MINFIN and local organizations received capacity development trainings and equipment.
- f. *Development of REDD+ safeguard tools.* The following 11 safeguards instruments were developed:
- REDD+ safeguard instruments: i) National Approach to Safeguards Guatemala, ii) Strategic Environmental and Social Assessment (SESA) and iii) Environment and Social Management Framework (ESMF).
  - Safeguard instruments for the Emission Reduction Program (ERP): iv) Indigenous People's Planning Framework (IPPF), v) Environmental and Social Framework (ESF), vi) Stakeholders Engagement Plan (SEP), vii) Environmental and Social Commitment Plan (ESCP), viii) Process Framework and ix) Resettlement Framework.
  - Safeguard instruments for the Forest Investment Plan, Project 1: x) Social and Environmental Management Framework (MGAS) and xi) Social and Environmental Management Plan (MP).

## 2. DISBURSEMENT SUMMARY

Component	Total Funds per component (US\$)	Allocated Funds (US\$)		Available Funds (US\$)
		Committed	Disbursed	
<b>Component 1: Strengthening REDD + Stakeholder Engagement</b>	1,313,163	0	1,305,520	7,643
<b>Component 2: Strengthening the linkage of the National REDD + Strategy with the national policy and planning framework</b>	1,656,483	0	1,656,483	0
<b>Component 3: Design and strengthening of the Monitoring, Reporting and Verification system at the territory level</b>	1,715,317	0	1,715,317	0
<b>Administration</b>	315,037	0	286,279	28,758
<b>TOTAL (US\$)</b>	<b>5,000,000</b>	<b>0</b>	<b>4,963,599</b>	<b>36,401</b>

## 3. PROGRAM SPECIFIC QUESTIONS

### I. Describe progress in how the Grant activities are being coordinated with other REDD+ related initiatives, included those funded by others:

The articulation of the 3 REDD+ phases has been promoted in strong coordination with World Bank. The preparation of the REDD+ strategy (phase 1 of the REDD+ mechanism) has been aligned with other ongoing preparation activities of phases 2 (FIP projects and NAMA on the efficient use of firewood) and 3 (ER Program). In particular, the following grant activities have ensured alignment with the following REDD+ related initiatives:

- Emissions Reduction Programme (FCPF's Carbon Fund): specific safeguard instruments for the ERP, in line with the REDD+ safeguards, have been developed; and a joint REDD+ and ERP benefit distribution plan has been designed.
- Forest Investment Plan – Project 2 (GU-L1165, GU-G1005) and project 3 (GU-T1280): specific safeguard instruments for the ERP, in line with the REDD+ safeguards.

Remnants (US\$ 385,161) from the first FCPF donation (US\$ 3.8 million) implemented by MARN and closed in 2018, are now being used under a new operation (GU-T1310) executed directly by IDB as requested by the Government of Guatemala. This operation (GU-T1310, US\$ 385,161) focuses on developing climate finance proposals for sustainable livestock and agriculture activities aligned with the National REDD+ Strategy, FIP projects and ER Program in order to fill the gap of addressing key drivers of deforestation mainly livestock and agriculture.

### **Links between FCPF program and complementary programs**

The REDD+ MRV platform and plan of benefits distribution designed as part of this grant are required to access REDD+ results based-payments under the Emission Reduction Program that the country is negotiating with FCPF's Carbon Fund for up to 10.5 million tCO<sub>2</sub>e, around US\$ 52 million.

## **II. Describe any important changes in the technical design or approach related to the Grant activities:**

Main changes operated in the planned activities:

- The COVID-19 crisis significantly affected the implementation of Component 1 related activities planned for 2020. Component 1 activities that could not be implemented are the following: the third round of dialogue, the national forum to socialize the REDD+ strategy 2.0, international exchanges of experience for local forest organizations, field visits with policy makers to REDD+ projects sites; workshops to promote and ensure the alignment of municipal planning in 35 municipalities with the national REDD+ strategy (the workshop and alignment could only be done in 1 municipality). Associated funding was redirected towards Component 2 and 3 related activities.
- Component 2: PD Sierra de las Minas. The estimate of the annual emission reduction potential of Sierra de las Minas Biosphere Reserve (RBSM from its Spanish acronym) turned out to be extremely low (39,584 tCO<sub>2</sub>) due to the fact that the losses from Deforestation and Forest Degradation (96 ha/year) are minimal and the gains higher (479 ha/year), which did not justify a PD. The PD was replaced by a pre-feasibility analysis for projects focused on the quantification of soil organic carbon in the Sierra de las Minas Biosphere Reserve and articulated to the carbon potential stored in forests.
- Component 3, c. *Institutional strengthening and studies for the implementation of a national forest monitoring system*: the planned support to the forest inventory (field data collection) couldn't take place as scheduled due to institutional delays and was replaced by the provision of legal support to MARN to design a national bill on water.

## **III. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant**

Guatemala now counts with the technical capacities, coordination and financial management mechanisms for the implementation of the national REDD+ strategy:

- Implementation framework, instruments and capacities to implement the REDD+ strategy. In 2020, were completed the design of the REDD+ strategy, it's action plan and cultural pertinence road map; as well as the Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance; the RELs/RLs; the safeguard instruments for the REDD+ strategy and related initiatives (FIP and PRE), the MIAQ, the registry of REDD+ projects and the benefit sharing mechanism. All GCI institutions (MARN, INAB, CONAP, MAGA, MINFIN) were trained on the use of these instruments.
- Monitoring Systems for Forests, Multiple Benefits and Safeguards: the REDD+ MRV system including the institutional arrangements, virtual platforms design (SNICC, MRV platform, community monitoring app, SIS) and methodologies, has been designed and are operational. Corresponding technological equipment and trainings to MINFIN, the GCI and local forest organizations have been delivered to build capacities on the use of these systems.
- Management arrangements: Coordination was strengthened, with the participation of various government agencies, civil society and other stakeholders of the National REDD+ process that enabled to: i) jointly manage the execution of activities financed by the FCPF and to articulate complementary support from other international partners; ii) coordinate the preparation of the National Strategy and its integration with the forestry policy-legal framework and other relevant sectors; and iii) organize and promote dialogue, participation, exchange and dissemination of information with interested parties.
- Policy and financial management: Linkages between the national REDD+ Strategy and the policy framework and budget programming were strengthened through the alignment of municipal planning with the REDD+ strategy and the development of two policy instruments linked to the REDD+. Additionally, the preparation phase enabled to prepare access to new funding opportunities: two financial mechanisms were designed for the implementation of REDD+, and the design of several instruments, among which the safeguards and the benefit sharing mechanisms, have contributed to facilitating the country negotiations to access to REDD+ results based-payments under the Emission Reduction Program.

**IV. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach? Is the ESMF prepared in accordance with the Common Approach?**

Safeguards instruments were developed for the implementation of the REDD+ strategy (SESA and ESMF in accordance with the Common Approach) and related initiatives, in particular ERP (IPPF, ESF, SEP, ESCP, process framework and resettlement framework), and the Forest Investment Plan, Project 1 (MGAS and MP).

## **V. Describe the progress in stakeholder consultation, participation and disclosure related to this grant.**

In 2020, disclosure related to the grant activities was enhanced by the implementation of the REDD+ communication strategy, which involved the production and dissemination of the 280 communicational products on social medias. Additionally, REDD+ infographics as well as communication material related to the MIAQ and the REDD+ gender roadmap REDD+ was printed and disseminated.

## **4. LESSONS LEARNED AND RECOMMENDATIONS**

Lessons learned:

- The importance of empowering local organizations on the different topics of the strategy preparing them towards the implementation and the payment for results phases.
- The execution of resources directly by the Bank has shown to be much more effective considering the complexity and timing of public processes as well as the limited periods of time for implementation.

Recommendations:

- Involving local actors in the preparation of the REDD+ strategy taking into consideration the local context, promoting the participation of indigenous people and women's groups, facilitates the identification of REDD + activities aimed primarily at strengthening successful experiences at the local level with a strong focus of socioeconomic development.
- The execution through the IDB facilitates the fulfillment of the products on the dates required by the donor.