Promoting sustainable landscapes in the Motagua River watershed

Part I: Project Information

Name of Parent Program
Food Systems, Land Use and Restoration (FOLUR) Impact Program

GEF ID
10263

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
☐CBIT
☐NGI

Project Title
Promoting sustainable landscapes in the Motagua River watershed

Countries
Guatemala

Agency(ies)
UNDP

Other Executing Partner(s)
International Union for Conservation of Nature (IUCN)

Executing Partner Type
GEF Agency

GEF Focal Area
Multi Focal Area

Taxonomy

Focal Areas, Land Degradation, Sustainable Land Management, Ecosystem Approach, Restoration and Rehabilitation of Degraded Lands, Biodiversity, Mainstreaming, Agriculture and agrobiodiversity, Ceritification - International Standards, Biomes, Tropical Dry Forests, Tropical Rain Forests, Rivers, Species, Threatened Species, Financial and Accounting, Payment for Ecosystem Services, Conservation Finance, Influencing models, Convene multi-stakeholder alliances, Strengthen institutional capacity and decision-making, Demonstrate innovative approache, Deploy innovative financial instruments, Stakeholders, Civil Society, Non-Governmental Organization, Academia, Community Based Organization, Communications, Awareness Raising, Public Campaigns, Education, Behavior change, Private Sector, Financial intermediaries and market facilitators, Large corporations, Individuals/Entrepreneurs, Type of Engagement, Partnership, Participation, Information Dissemination, Consultation, Indigenous Peoples, Local Communities, Beneficiaries, Gender Equality, Gender results areas, Participation and leadership, Knowledge Generation and Exchange, Capacity Development, Access to benefits and services, Gender Mainstreaming, Gender-sensitive indicators, Women groups, Sex-disaggregated indicators, Integrated Programs, Food Systems, Land Use and Restoration, Sustainable Food Systems, Food Value Chains, Landscape Restoration, Comprehensive Land Use Planning, Smallholder Farming, Sustainable Commodity Production, Integrated Landscapes, Deforestation-free Sourcing, Capacity, Knowledge and Research, Learning, Adaptive management, Theory of change, Indicators to measure change, Targeted Research, Innovation, Knowledge Generation, Knowledge Exchange

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Submission Date

5/4/2021

Expected Implementation Start

10/1/2021

Expected Completion Date

9/30/2028

Duration

84In Months

Agency Fee($)

1,004,653.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
IP FOLU	Transformation of food systems through sustainable production, reduced deforestation from commodity supply chains, and increased landscape restoration	GET	11,162,802.00	60,017,006.00
		Total Project Cost($)	**11,162,802.00**	**60,017,006.00**

B. Project description summary

Project Objective

Promoting sustainable food systems, restoring degraded ecosystems, and reducing deforestation in the Motagua River Watershed (MRW)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
1. Development of integrated landscape management (ILM) systems	Technical Assistance	1.1 Key public agencies (MAGA[1], MARN[2], MINECO[3], INAB[4], and CONAP[5]), the palm oil and coffee sectors, and other food production sectors with improved capacity to coordinate actions, exchange information, and promote sustainable food production systems and the restoration of degraded lands through existing platforms (National Restoration Roundtable for the Forest Landscape, GREPALMA, Anacaf?, and FEDECOCAGUA) measured by: 300 producers with management plans to apply environment guidelines for sustainable food production. 1.2 Existing platforms (restoration, coffee, palm oil, and other food systems improve their socio-environmental performance, measured by the following target: Three (3) inter-institutional and intersectoral action and monitoring plans for the sustainable production of palm oil, coffee and other key food systems and the conservation and restoration of forests and natural ecosystems with a gender and	1.1.1 Existing agreement between MAGA, MARN, and CONAP to promote ILM systems is renewed and strengthened and includes a technical group on FOLUR for interinstitutional collaboration. 1.1.2 At least three (3) agreements to promote and implement inclusive ILM systems established amongst the government, civil society (including women groups, indigenous peoples, the youth, academia, and others), producer associations of palm oil, coffee, other food production systems, and producers. 1.1.3 Three hundred (300) environmental assessment instruments[6] for coffee, palm oil, and cattle ranching production units as stated in the MARN?s Sectoral Environmental Guides enabled. 1.2.1 Inclusive action plans defined include protocols to collect and share environmental and production information, and enhance socio-environmental performance. 1.2.2 Interinstitutional and intersectoral collaboration protocol for the prevention and management of production-conservation conflicts defined.	GET	1,783,788.00	7,500,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
2. Promotion of sustainable food production practices and responsible value chains	Investment	2.1 Strengthened capacity to promote sustainable food production practices and responsible value chains, measured by the following targets: a. 300 coffee producers and of other food systems (women: 115; men: 185), who benefit from the mobilization of financial resources. b. Staff from public institutions, the private sector, palm oil and coffee producers increase their capacity on sustainable and deforestation-free production systems, access to finance and marketing strategies (capacity gains are measured by the UNDP Capacity Development Scorecard): Public Institutions (national level): from 66% to 74% Public Institutions (regional level): from 52% to 63% Producer associations: from 78% to 86% Producers: from 40% to 51% Municipalities: from 25% to 39% 2.2 Reduction of deforestation through sustainable food production practices and responsible value chains, measured by the	2.1.1 Inclusive and multicultural comprehensive technical support program to strengthen the coffee value chain implemented. 2.1.2 Inclusive technical assistance program for palm oil producers (e.g., Agrocaribe/AgroAmerica) to strengthen socio-environmental responsibility plans implemented. 2.1.3 Inclusive capacity development program for public institutions, the private sector, palm oil, coffee, and agroforestry producers, and secondary support to other food production systems for small-scale producers and medium-scale cattle ranchers implemented. 2.2.1. Inclusive competitiveness program prioritizing coffee implemented with a gender and multicultural focus, and that considers environmental quality and attributes such as no-deforestation and biodiversity conservation, and the most affected producers by COVID-19. 2.2.2. Marketing strategy for coffee and secondary support for other crops implemented focusing on strengthening attributes for quality and sustainability of ecosystem and social services.	GET	4,023,179.00	27,000,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
3. Conservation and restoration of natural habitats	Investment	3.1 National forest incentives and other financial mechanisms contribute to deliver GEBs, measured by: a. 25,000 ha of land restored, including: restoration of natural vegetation and establishment of plantations with native species for production (11,500 ha); agroforestry and silvopastoral systems with permanent crops; and agroforestry systems with annual crops (13,500 ha). b. 3,318,725 metric tons of CO_2e mitigated in 7 years (6,403,578 metric tons of CO_2e in 20 years). c. Continued presence of key species such as the jaguar (*Panthera onca*); the mantled howler (*Alouatta palliata*); the endangered endemic lizard *Heloderma charlesbogerti*; the golden-winged warbler (*Vermivora chrysoptera);* and six species of endemic amphibians (*Duellmanohyla soralia, Nototriton brodiei, Craugastor nefrens, Cryptotriton monzoni, Bolitoglossa conanti, Craugastor adamastus*).	3.1.1. Landscape management tools (micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, agroforestry, and home gardens) implemented for the restoration of degraded ecosystem and agricultural lands. 3.1.2 At least fifty (50) gender- and multiculturally sensitive forest management plans developed to access national forest incentives for conservation and restoration or other economic and market mechanisms and prioritizing local stakeholders most impacted by COVID-19. 3.1.3. Inclusive monitoring, control, and surveillance, and conflict prevention and transformation program defined. 3.1.4. Guidelines developed, with the participation of women, indigenous peoples, and other vulnerable groups, to reduce threats to biodiversity, freshwater systems, and soils in production landscapes. 3.1.5. Pilot scheme for the compensation for water ecosystem services implemented with a gender and multicultural focus contributes to forest conservation. 3.1.6. Tool (e.g., guide, regulation, manual) for	GET	2,961,237.00	18,000,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
4. Project Coordination and M&E	Technical Assistance	4.1 Solutions and good practices shared with the FOLUR Global Platform, Green Commodities Community of Practice, the UNDP Green Commodities Programme, the Conference of the Parties of the Convention on Biological Diversity, the Panorama Portal ?Solutions for a Healthy Planet,? and other global events and communities of practice, measured by: a. Six (6) presentations (or events) of successful experiences shared in global events and communities of practice 4.2 Knowledge and lessons learned systematized and disseminated, measured by: a. One (1) documents per value chain (coffee: 1; palm oil: 1; other food production systems [e.g., cattle ranching]: 1) for replication and scaling-up of successful experiences in other production landscapes and watersheds b. One (1) manual on mainstreaming gender and stakeholder participation (including indigenous peoples) in sustainable food production systems	4.1.1. Information and knowledge exchange platform at the national level established increases awareness about mainstreaming biodiversity in production landscapes, SLM, climate change mitigation, sustainable production, and gender aspects. 4.1.2. South-south cooperation program to exchange knowledge about supply chain best practices and market opportunities for sustainable food systems implemented. 4.1.3. Knowledge management global platform operationalized disseminates lessons learned and information on FOLUR best practice 4.2.1. Participatory monitoring system to assess the project?s environmental benefits implemented. 4.2.2. Project gender mainstreaming plan, Indigenous Peoples Plan stakeholder engagement plan, and M&E plan implemented and manual on gender mainstreaming and stakeholder participation in sustainable food production systems developed.	GET	1,863,036.00	4,516,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
				Sub Total ($)	**10,631,240.00**	**57,016,000.00**
Project Management Cost (PMC)						
				GET	531,562.00	3,001,006.00
				Sub Total($)	**531,562.00**	**3,001,006.00**
				Total Project Cost($)	**11,162,802.00**	**60,017,006.00**

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Ministry of Agriculture, Livestock, and Nutrition (MAGA)	In-kind	Recurrent expenditures	3,112,398.00
Recipient Country Government	Ministry of Agriculture, Livestock, and Nutrition (MAGA)	Grant	Investment mobilized	2,887,602.00
Recipient Country Government	Ministry of the Environmental and Natural Resources (MARN)	In-kind	Recurrent expenditures	2,401,238.00
Recipient Country Government	Ministry of the Environmental and Natural Resources (MARN)	Grant	Investment mobilized	722,888.00
Recipient Country Government	National Council on Protected Areas (CONAP)	In-kind	Recurrent expenditures	5,730,424.00
Private Sector	Guatemalan National Coffee Association (Anacaf?)	In-kind	Recurrent expenditures	1,527,150.00
Civil Society Organization	Association of Private Natural Reserves of Guatemala (ARNPG)	In-kind	Recurrent expenditures	5,781,696.00
Civil Society Organization	Association of Private Natural Reserves of Guatemala (ARNPG)	Grant	Investment mobilized	1,142,543.00
Civil Society Organization	Defensores de la Naturaleza	In-kind	Recurrent expenditures	846,854.00
Civil Society Organization	Defensores de la Naturaleza	Grant	Investment mobilized	1,162,447.00
Civil Society Organization	Foundation for Ecodevelopment and Conservation (FUNDAECO)	Grant	Investment mobilized	1,500,000.00

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	National Forest Institute (INAB)	In-kind	Recurrent expenditures	1,798,037.00
Recipient Country Government	National Forest Institute (INAB)	Grant	Investment mobilized	7,551,829.00
Private Sector	Guatemalan Palm Growers Association (GREPALMA)	In-kind	Recurrent expenditures	2,015,000.00
Private Sector	AgroAmerica/Agrocaribe	Grant	Investment mobilized	13,836,900.00
Donor Agency	IUCN	In-kind	Recurrent expenditures	500,000.00
Donor Agency	IUCN	Grant	Investment mobilized	5,500,000.00
GEF Agency	UNDP	Grant	Investment mobilized	2,000,000.00
			Total Co-Financing($)	**60,017,006.00**

Describe how any "Investment Mobilized" was identified

a) MAGA: coordinate actions, exchange information, and define guidelines for sustainable food production and the restoration of degraded lands through interagency agreements (Component 1). Investments to promote sustainable palm oil and coffee value chains and other food systems (Component 2). b) MARN: coordinate actions, exchange information, and define guidelines for sustainable food production and the restoration of degraded lands through interagency agreements (Component 1). Development and implementation of environmental guides for sustainable production and support for watershed/micro watershed management (Component 1 and Component 2). Monitoring, control, surveillance, and prevention and management of production-conservation conflicts (Component 3). Management of information and knowledge exchange platform at the national level (Component 4). c) ARNPG: Participation in agreements to promote and implement inclusive ILM systems (Component 1). Conservation and monitoring of biodiversity and HCVF in production lands and private reserves in the project landscape (Component 3). d) Defensores de la Naturaleza: Participation in agreements to promote and implement inclusive ILM systems (Component 1). Monitoring, control, surveillance, and prevention and management of production-conservation conflicts (Component 3). Conservation and monitoring of

biodiversity and HCVF in production lands and areas surrounding protected areas in the project landscape (Component 2 and Component 3). e) FUNDAECO: Participation in agreements to promote and implement inclusive ILM systems (Component 1). Monitoring, control, surveillance, and prevention and management of production-conservation conflicts (Component 3). Conservation and monitoring of biodiversity and HCVF in production lands and areas surrounding protected areas in the project landscape (Component 3). f) INAB: will provide cash incentives for sustainable food systems and restoration activities through the PINPEP and PROBOSQUES incentive programs (Component 2 and Component 3). Monitoring, control, surveillance, and prevention and management of production-conservation conflicts (Component 3). g) AgroAmerica/Agrocaribe: RSPO certified agricultural practices and in the conservation and management of riparian zones and the conservation of 137 ha of nature reserves and monitoring conservation values areas and species (Component 2). Investments in social groups within the framework of the socio-environmental responsibility strategy (Component 2). h) IUCN/KfW: Linking the Central American Landscape Programme. Includes actions of conservation, sustainable management and restoration of large landscapes of great economic, ecological and cultural value in the region. The MRW has been identified as a priority landscape to: improve governance of local communities for conservation (Component 1); and improve connectivity, support restoration actions between protected areas, and conservation of biodiversity in fragmented landscapes (Component 3). IUCN/GCF: Building Livelihood Resilience to Climate Change in the Upper Basins of Guatemala?s Highlands. Actions with impact at national level include establishment and strengthening of micro-watershed councils, tools for planning and mainstreaming climate change information, ecosystem based adaptation criteria, and integrated watersheds management for strengthening of municipalities for climate change adaptation (Component 1), and improving access of smallholders to PINPEP and PROBOSQUE (Component 2 and Component 3), and strengthening capacities for INAB, MARN, and MAGA to provide technical assistance to smallholders in the light of climate change. i) UNDP: overall project support including to project coordination and M&E.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Guatemala	Biodiversity	BD STAR Allocation	5,640,339	507,631
UNDP	GET	Guatemala	Land Degradation	LD STAR Allocation	867,431	78,069
UNDP	GET	Guatemala	Climate Change	CC STAR Allocation	867,431	78,069
UNDP	GET	Guatemala	Multi Focal Area	IP FOLU Set-Aside	3,787,601	340,884
				Total Grant Resources($)	**11,162,802.00**	**1,004,653.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required

☐

PPG Amount ($)

200,000

PPG Agency Fee ($)

18,000

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Guatemala	Biodiversity	BD STAR Allocation	100,000	9,000
UNDP	GET	Guatemala	Land Degradation	LD STAR Allocation	50,000	4,500
UNDP	GET	Guatemala	Climate Change	CC STAR Allocation	50,000	4,500
				Total Project Costs($)	**200,000.00**	**18,000.00**

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	25000.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	13,500.00		

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	11,500.00		

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	22179.31	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	2,179.31		

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	19,400.00		

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	600.00		

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	0	6403578	0	0
Expected metric tons of CO?e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)		6,403,578		

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting		2021		
Duration of accounting		20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)				
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female		5,186		
Male		7,780		
Total	0	12966	0	0

Part II. Project Justification

1a. Project Description

1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description).

1. Guatemala, with a surface area of 108,889 square kilometers (km2) and despite having the largest economy in Central America, has one of the highest inequality rates in Latin America. Guatemala?s economy largely depends on the production of basic goods primarily derived from the agricultural sector. In 2016, agricultural land as a share of land area for Guatemala was approximately 36%; agriculture contributed around 10 percent to the Growth Domestic Product. Guatemala is the 6th largest producer of palm oil in the world (852,795 tons produced and 793,100 tons exported in 2019) and the 11th largest producer of green coffee with approximately 3,550,000 60-kg bags of coffee produced in 2018-2019.Non-traditional agriculture exports include snow peas, green beans, vegetables, and fruits.

2. Palm oil has become an engine of socioeconomic development in the country, especially in rural areas of Guatemala, generating 1.2% of the Gross Domestic Product (GDP) of Guatemala and up to 28,000 direct jobs. Palm oil plantations increased from 38,094 ha in 2005 to 93,513 ha in 2010 and 171,452 ha in 2019; between 2001 and 2010, 24,172 ha of forest were removed principally in the Department of Izabal. Palm oil plantations in Guatemala have the highest productivity per hectare of any country in the world. The value chain of palm oil in Guatemala is relatively simple, being dominated by large palm growers and palm oil extractors. Crude oil is exported for refining abroad and a few large companies, some of which also grow palm or buy the fruit from independent producers, dominate the palm extractors. The Guatemalan Palm Growers Association (GREPALMA) groups small, medium, and large palm producers committed to the sustainable production of palm oil; GREPALMA has committed to zero-deforestation production. Currently GREPALMA does not have an established gender equality policy. Guatemala has become a leader in sustainable palm oil production; for example, AgroAmerica (a family-owned business based in Guatemala City with operations in Guatemala, Panama, Ecuador, Peru, the United States and Europe) became the first oil palm company in the world to achieve the top-tier level of certification through the regulations of the Rainforest Alliance Certification program. It was also the fourth company in the world to obtain the ?Preserved Identity? certification through the Roundtable on Sustainable Palm Oil (RSPO).

3. Coffee is produced in all the departments of Guatemala, in 204 of the 340 municipalities and generates more than half a million jobs a year. It is second in the exports of agricultural products (13%) and represents between 2.5% and 3.5% of the Gross Domestic Product (GDP) of Guatemala. From 2003 to 2013, coffee production levels increased by 14% nationally. Of the 125,000 coffee producers in the country, 97% are micro and small producers. The rest, 3% of the producers, are medium or large and produce 53% of the country's coffee. Approximately 20% of the coffee producers are women. The discrepancy between producers means there is a big difference between their characteristics and their needs within the value chain, which includes six links that include activities of purchase of goods and services, production, storage, transformation (benefit, roasting, mixing), packaging, and marketing. Most farmers sell their coffee through the Guatemalan National Coffee Association (Anacaf?) and The Federation of Agricultural Cooperatives of Coffee Producers of Guatemala (FEDECOCAGUA). Anacaf? is a non-profit organization that represents the interests of about 125,000 families of coffee farmers. It is responsible for ensuring effective services for coffee farmers, in order to achieve a sustainable and competitive coffee industry. Anacaf? has positioned the brand Guatemalan Coffees, to promote the national product, which is renowned and valued by the most demanding markets around the world. Anacaf? has a gender policy to mainstream the gender approach in all Guatemalan coffee farming and promote the equal participation of women throughout the production chain. FEDECOCAGUA currently brings together 148 cooperatives, farmer

associations and other groups with a total of approximately 20,000 small coffee producers around the country that have access to the globalized market. Currently, FEDECOCAGUA does not have an established gender equality policy.

4. Guatemala faces multiple environmental challenges including biodiversity loss, land degradation, and deforestation, which have been driven by high demand for land, unequal land rights, high levels of population growth, unemployment, and insecurity and inequality related to land and income distribution. Additionally, ill-advised public policies and instruments, such as uneven access to land, agricultural incentives and trade, and industrial development, have further sidelined interest in the protection of the environment and the sustainable production of ecosystem services. Guatemala lost approximately 92,880 ha of forest annually between 1991 and 2010; net deforestation for the period 2010-2016 was reduced to 18,350 ha annually. Deforestation is mainly due to agricultural expansion, and it is estimated that the expansion of the African oil palm was responsible for the deforestation of at least 24,172 ha between 2001 and 2006. The country is also experiencing accelerated soil degradation and a high use of agrochemicals to compensate for the loss of soil productivity. Non-sustainable agriculture is the main cause for soil degradation and it is estimated that 15% of the land is overused; each year the country loses between 149 and 250 millions metric tons of arable land. In addition, 12% of the national territory is also under threat of desertification. Guatemala is also home to 1,966 known species of fish, amphibians, birds, mammals, and reptiles,[9][1] and 7,754 species of plants, 15% percent of which are endemic.[10][2] Nevertheless, the overexploitation of natural resources has resulted in the loss of biodiversity and environmental services, which is reflected by the loss of 15% of the national forest cover; more than 300 animal and plant species are considered threatened or endangered.

5. With its strategic location, abundant natural resources, multiethnic and young population, and conditions for improved agricultural productivity, Guatemala has great potential to generate growth and prosperity for its population. Nevertheless, the country?s economic growth, particularly in its rural areas, will only be possible if it can reduce the high poverty rates, social inequality, and food insecurity. The inequalities are marked among the different regions and among ethnic groups, with the indigenous populations having the largest disadvantage, and currently exacerbated by the COVID-19 pandemic. It is necessary to strengthen governance, increase transparency, and improve public security. In addition, Guatemala is highly vulnerable to climate change, which contributes to accentuating inequalities and degradation of natural resources. It is expected that more than 50% of the Guatemalan territory will experience changes in bioclimatic conditions by 2050, and more than 90% by 2080.[11][3] Temperatures are projected to increase between 1.5?C and 4.5?C by 2050, with the month of May being the hottest with temperatures exceeding 28?C; the southern coast may have the most significant changes in the temperatures while the western areas may exhibit low variability. Intensification of heat waves and high temperature expansion into previously cooler regions such as mountainous areas projected. Higher increase in average annual precipitation near the Pacific Coast and in the Western and Central Plains are expected by 2050; including a 30% reduction in precipitation in the Motagua Valley in the east and in the central plains. Precipitation decrease is projected for the beginning of wet season in the southwestern region.[12][4]

6. In Guatemala, the Motagua River Watershed (MRW) covers an area of 15,190 km2; located on the slope of the Caribbean Sea, in the southeast it is the largest watershed in the country, with economic activities within the watershed important for the local and regional economies. In the middle and upper portions of the watershed, coffee is cultivated with an approximate extension of 12,181 ha, together with vegetables and fruit products. In the lower part of the watershed, agribusiness activities are the most common where the oil palm stands out covering approximately 16,879 ha, along with bananas, and cattle-ranching. Approximately 4.34 million people reside in the MRW

(24.8% of the country's total population); 56% of the Guatemalan population in the watershed lives in rural areas and 44% in urban areas. Indigenous peoples account for 46% of the population, which include the Kaqchikel, K?ich?, Kekchi, Ch?orti? and Gar?funa groups, many of whom have migrated to urban centers within the region, including Guatemala City. Throughout the watershed, where 59% of the population lives in poverty (HDI: 0.48) , subsistence agriculture of low productivity is practiced (mainly the production of basic grains such as beans and corn). High diversity of ecosystems and species are distributed throughout the MRW. Seven of the 13 recognized life zones for Guatemala are found in the eastern portion of MRW; this means that greater than 50% of the total life zones present in the country are represented in this area, which demonstrates the importance of the region in terms of its biodiversity.

7. The MRW faces multiple threats including: a) habitat loss through deforestation with an annual rate of 1.5% (approximately 17,400 ha per year); the projected deforestation in the prioritized landscape over the next 20 years, which 506,135 ha or 34.5% of the MRW, is 17,172 ha (an average of 2,862 ha/year). As part of the PPG, the deforestation rates in the prioritized landscape were reviewed; it was found that in the period 2001-2006, 5,648.7 ha/year were deforested; in the 2006-2010 period 4,824.9 ha/year were deforested; and in the 2010-2016 period, 4,035.7 ha/year were deforested. Based on this information, the projected forest cover change would be from 96,321 ha in 2021 to 79,149 ha in 2027. Deforestation is due primarily to subsistence crops and cattle ranching, and the expansion of areas under coffee cultivation as many producers struggle to secure their livelihood on existing land and seek to expand production into forested areas; b) surface water and groundwater pollution from unmanaged solid waste, wastewater, and agrochemical by-product disposal; the improper use of chemicals and agrochemicals has also led to the degradation of soils and biodiversity loss; c) reduced water flows and drying up of tributaries; and d) increase in erosion in agricultural lands, which affects water quality though sedimentation and crop yields in most municipalities. In addition, the MRW has been affected by drought, tropical storms and hurricanes, and floods, as well as by desertification, the latter in the southwestern portion of the watershed that is part of Guatemala?s dry ecosystem corridor.

8. These threats will be addressed in a prioritized landscape within the MRW covering 506,135 hectares (ha) in the northeast region of the country (Annex A). According to information published by the Interinstitutional Group for Mapping Forests and Other Land Uses (GIMBUT, 2019), in 2016 forests covered 115,106 ha of this landscape proposed for the project in 2016. The main land uses in the prioritized project landscape correspond to forests (39.7%), low shrub vegetation (28.3%), grasslands (18.9%), coffee crops (5.7%), and annual agriculture (4.4%). important economic activities for the local and regional economies occur within this area. There are approximately 3,500 men and women small/medium coffee producers covering more than 8,500 hectares of cultivation. Palm oil plantations cover 16,879 ha and are certified under standards such as the RSPO and Rainforest Alliance, including Agrocaribe/AgroAmerica, the main palm oil producer in the project landscape. The oil palm industry is one of the most important economic activities in the prioritized landscape, generating employment for seasonal workers and people from the communities surrounding its plantations. Other production activities in the area that are related to food production, include corn, beans, livestock, and fruit trees. The project landscape is ethnic-cultural divers and is home to several indigenous peoples groups (e.g., Q?eqchi?, Gar?funa, Kaqchikel, Mam, and Maya Ch?orti?) some of which are coffee farmers. With regard to deforestation observed in the region, 71,757.6 ha were lost in the six municipalities that include the project landscape between 2001 and 2016, at a deforestation rate of 5,648.7 ha per year from 2001 to 2006, 4,824.9 ha from 2006 to 2010, and 4,035.7 ha from 2010 to 2016 period. Among the main causes identified is the conversion of land for cattle ranching purposes and to establish agricultural crops (seasonal crops and the empowerment of land for livestock, to establish agricultural crops (seasonal and monoculture cultivation), and to a lesser extent to illegal logging or timber extraction. Although coffee and palm oil are not currently considered the primary agents of deforestation, if a positive change in market price were to occur, it could increase pressure on the forest or forest patches, which in the case of coffee would be accentuated by low productivity and drive the expansion of the areas under cultivation.

9. The main drivers of environmental degradation in the MRW and the prioritized landscape are: a) high unemployment rate (up to 24%) in the rural areas driving deforestation by the

establishment of subsistence agriculture and firewood extraction; b) Institutional weakness: limited capacity of public institutions at the national and local levels for environmental planning and management, and to enforce related regulations; there is also limited coordination and responsibilities are scattered among multiple agencies; and c) public policies, which historically have been oriented exclusively towards development of farming, including encouraging farming activities in ecologically sensitive areas; policies that seek to support forest conservation and restoration and promote connectivity and ecosystem services (e.g., the Forest Policy and its forest incentives) have not had the same impact as those for agricultural development.

10. It was identified during the PPG that in the prioritized landscape of the project, coffee and palm oil are not currently considered the primary agents of deforestation. Nevertheless, if a positive change in market price were to occur, it could increase pressure on the forest or forest patches, which in the case of coffee would be accentuated by low productivity and drive the expansion of the areas under cultivation into HCVFs. According to the analyses performed during the PPG phase, which included a spatial analysis of land use change (2001-2006, 2006-2010, and 2010-2016) as well consultations with experts and bibliographic research (e.g., Castellanos et.al. 2017)[13][5], the largest direct causes of deforestation in the prioritized landscape are cattle ranching and subsistence crops such as corn and beans. The analyses indicate that in the case of cattle ranching, this food production system activity has been displaced by palm oil cultivations, causing cattle ranching to encroach upon the remaining forest areas. The project is focused on palm oil as a driver of deforestation since this activity has been established on areas previously used for cattle ranching displacing this activity into remaining forested areas within the prioritized landscape to sustain the demand for meat and milk from the local and national markets. Many of these new areas were established on land unsuitable for grazing, causing deforestation and land degradation. On the other hand, coffee has been directly responsible for the deforestation of natural forests in the upper parts of the MRW, which are characterized by highly sloped lands covered with natural forests. In addition, it is expected that coffee production would be pushed to the higher slopes and upstream in the MRW due climate change as temperatures increase.

11. The environmental consequences of the current unsustainable practices in the coffee and palm oil sectors include loss of habitat for biodiversity, erosion and contamination of soils, increased runoff and impairment of water quality, increased risk of floods and landslides, changes to the hydrological cycle, degradation of ecosystem services due to the loss of forests and riparian buffers, contamination of surface and groundwater due to the excess use of agrochemicals in production processes, generation of solid waste, loss of ecosystem connectivity, among other impacts. Accordingly, the project will support these sectors for the improvement of productivity, access to incentives and new markets to improve the income of producers, and for the implementation of best practices that prevent environmental degradation and contribute to the restoration of degraded ecosystems and production lands in the project landscape. In addition, this will prevent the expansion of production activities into natural forest areas, protected areas and / or ecologically sensitive areas.

12. For the oil palm sector, the project will promote the restoration of riverbank areas throughout the landscape covered by oil palm plantations. This will improve connectivity between ecosystems, habitat for biodiversity and the generation of ecosystem services, as well as reducing the risk of floods. For the coffee sector the project, in close coordination with Anacaf? and FEDECOCAGUA, will strengthen capacities in FOLUR issues for the implementation of good practices for the improvement of coffee production including diversification with agroforestry systems; this will result in the reduction of soil erosion, improvement in water recharge and regulation, as well as the improvement of habitat for biodiversity. It is important to mention that given that coffee crop are found in high-sloped lands, it is strategic that there is no change from this land use to another that may increase degradation of the soil, water, biodiversity and would increase the risk of landslides and floods in the project area. Additionally as mentioned above, it is important to take into account that coffee production would be pushed to the higher slopes due to climate change and best production practices must be adopted to prevent environmental degradation. Regarding other food systems with secondary support from the project (i.e., cattle ranching and basic grains production), the

project will promote the implementation of the sustainable livestock strategy and the family agriculture program. These are policy instruments from the Ministry of Agriculture, Livestock, and Food (MAGA), for the promotion and implementation of sustainable cattle ranching and basic grains production that would increase productivity and improve the environmental conditions in the project landscape, through soil conservation practices, silvopastoral systems, rational grazing, protection of secondary forest areas on agricultural and cattle ranching farms, and the protection and restoration of riparian forests and other practices consistent with the FOLUR and MAGA policies. This dynamic will be further analyzed during project implementation through a participatory and evidence-based assessment to verify the main deforestation agents in the project landscape.

13. The long-term solution consists in promoting sustainable food systems, restoring degraded ecosystems and reducing deforestation in the MRW. However, currently there are barriers that prevent this objective from being reached.

Limited capacity of environmental officials, municipalities, and palm oil and coffee sectors to promote integrated landscape management (ILM)	National environmental officials (Ministry of Agriculture, Livestock, and Nutrition [MAGA], Ministry of Environmental and Natural Resources [MARN], Ministry of the Economy [MINECO], National Forest Institute [INAB], and the National Council on Protected Areas [CONAP]) jointly with existing platforms of palm oil (e.g., Guatemalan Palm Growers Association [GREPALMA]) and coffee (e.g., Guatemalan National Coffee Association [Anacaf?]) lack the mechanisms to coordinate actions, exchange information, or define guidelines for sustainable food production and the restoration of degraded lands. In addition, the private sector platforms do not recognize the importance of sharing information about their activities with national and local environmental officials, or with civil society, which would allow plans to be developed and monitoring mechanisms coordinated for the sustainable production of palm oil and coffee, as well as the conservation of remnant forests in production landscapes. At the local level, municipalities and civil society organizations (CSOs) are weak in the area of participatory governance processes, which includes the limited participation of women and indigenous peoples, and lack the necessary tools to prioritize ILM in territorial planning instruments and investments that would allow adopting sustainable food systems, restore degraded ecosystems, reduce deforestation, supply stable ecosystem services, and promote gender equality.
Limited knowledge and incentives for producers of palm oil, coffee, and other food products to implement sustainable production practices and responsible value chains and to strengthen their socio-environmental responsibility	Coffee growers and producers of other food products lack both public and private economic and market incentives that are necessary to implement deforestation-free and sustainable food systems. In addition, their knowledge and capacity must be improved for accessing existing incentives and to allow the development of a gender- and ethnic-sensitive socio-environmental business model for the value chains of palm oil, coffee, and other food systems (for example, corn, beans, and livestock) that are free from deforestation. Likewise, it is necessary to strengthen the capacity of public institutions and the production private sector, including women and indigenous peoples, to mainstream biodiversity, sustainable land management (SLM), and climate change mitigation in land use planning (PDM-OT and watershed/micro-watershed management plans). Although there are trade agreements in the country between national and international buyers of coffee and palm oil with some national producers to promote sustainable production, it is necessary to expand the scope and coverage of these and additional agreements for the development of sustainable value chains with a landscape approach and socio-environmental responsibility. In addition, a spatial verification system of land use change for palm oil and coffee production units is needed to verify that these commodities are deforestation-free.

Limited access to incentives and technical support for forest conservation and restoration and to promote ecosystem connectivity and services	The unsustainable production of palm oil, coffee, and other food systems has contributed to the degradation of ecosystems and the loss of biodiversity. Producers currently have limited access to incentives that would allow them to restore degraded ecologically sensitive areas through conservation agreements and to implement landscape management tools (LMTs), which include micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, and agroforestry, that would help to improve connectivity between forest remnants in production landscapes and high-conservation-value forests (HCVFs), including protected areas. In addition, producers do not have the necessary knowledge to develop management plans at the farm level for implementing conservation and restoration practices, nor do they have access to the required plant material or guidelines for reducing and/or eliminating contamination from current production practices. Participatory mechanisms for monitoring, control, and surveillance that would reduce the expansion of agriculture into ecologically important areas and the conservation of endangered species are needed.
Limited participation in global and national platforms to exchange solutions and best practices that would allow replication and scaling-up to other landscapes and other production sectors in the country and globally, exacerbated by the COVID-19 pandemic	There is limited participation by the coffee and oil palm sectors in global platforms such as the United Nations Development Programme (UNDP) Green Commodities Programme. Participation is limited to: a) Engagement in the Roundtable for Sustainable Palm Oil (RSPO), particularly through Agrocaribe/AgroAmerica who became the first company in Central America certified under the RSPO standard; b) participation through Agrocaribe/AgroAmerica in the Mesoamerican Palm Oil Alliance ? (Mexico, Guatemala, Honduras and Nicaragua) coordinated by Solidaridad, a Civil Society Organization based in the Netherlands with global presence and a regional central office based in Guatemala City; and c) Participation through Anacaf? in the regional platform for monitoring coffee rust (*Hemileia vastatrix*) in the seven PROCAGICA (Program for the Integral Management of Coffee Rust) countries. In addition, it is necessary to establish synergy with the FOLUR global platform to exchange knowledge, solutions, and good practices so that results can be scaled-up to impact the broader food production system. This, in turn, limits opportunities to establish contacts with international buyers of these commodities and those who may be interested in obtaining coffee, palm oil, and other deforestation-free food products, as well as access to information about best practices and global market policies. At the national level, there are few mechanisms to systematize and disseminate knowledge and lessons learned to replicate and scale-up successful experiences in other production landscapes and watersheds. Finally, there is no participatory monitoring system to assess the environmental benefits that are derived from the coffee and palm oil sustainable value chains, from the restoration of degraded ecosystems caused by unsustainable agricultural production, or from avoided deforestation of HCVF. This barrier, as well as the previous barriers, could be exacerbated by the COVID-19 pandemic, causing delays in the execution of some project activities. This includes limited participation of the project stakeholders in some of the project activities that due to the pandemic can only be done remotely. In particular, this represents a challenge in the project landscape as most of the producers of food production systems live in rural areas, with limited access to internet and other communication systems.

2) The baseline scenario and any associated baseline projects.

Current policies and institutional framework related to integrated land use planning and natural resources management

14. Guatemala has a comprehensive policy framework at the national and local level that are in line with FOLUR objectives and that responds to the country's development objectives. This includes: a) the National Strategy for the Restoration of the Forest Landscape: Mechanism for Sustainable Rural Development of Guatemala 2015 ? 2045; b) the National strategy to address deforestation and forest degradation in Guatemala; c) the Forestry incentive program of the PROBOSQUE Law; d) the forestry incentives for small land holders PINPEP Program; e) the

Institutional action plan for the prevention and reduction of illegal logging in Guatemala; f) the National Strategy for Sustainable Production and Efficient Use of Firewood; g) the National Biodiversity Strategy and Action Plan; and h) the National strategy of sustainable cattle ranching with low emissions.

15. Public administration in Guatemala is currently under a decentralization scheme through municipalities based on the legal framework of the Municipal Code (Decree 12-2002); implementation falls to the Municipal Council, which has among its other functions the protection and promotion of renewable and non-renewable resources. The Municipal Code also indicates (article 142) that the municipality is responsible for formulating and executing a Municipal Development and Land Use Plan (PDM-OT), in coordination with the Presidential Secretariat for Planning and Programs (Segepl?n) and in line with the K'atun 2032 National Development Plan (developed in 2014) and the Sustainable Development Goals 2030 (SDGs). The PDM-OT outlines the municipal development vision; the future territorial organization; the future uses of the land; and the future land development model. The PDM-OT is developed and approved by the Municipal Council through a participatory process. Accordingly, the PDM-OT allows for strategic land use planning at the local level; the related investments are achieved through programmatic planning, which includes three interrelated planning instruments: the Institutional Strategic Plan (PEI), which defines institutional strategies and interventions; the Multiannual Work Plan (POM), which guides and strategically organize the steps needed to achieve the results identified in the PEI, identifies the needed medium-term (four years) budgetary resources; and the Annual Work Plan (POA) that allows annual programing and investments. Collectively, these planning instruments are known as the PEI-POM-POA.

16. The PINPEP and PROBOSQUE programs are national mechanisms that include cash incentives to landowners and/or owners of forested lands for carrying out reforestation, natural forest management, and implementing agroforestry systems according to a plan approved and supervised by the National Forest Institute (INAB) who manages these programs. The program known as PINPEP offers economic incentives in the form of cash payments to increase the coverage of small land areas through reforestation and natural forest management. The PROBOSQUE initiative (PROBOSQUE Law, 2015) provides economic incentives for the restoration of degraded forest lands at country level. Practical guidelines for forest landscape restoration in Guatemala were developed by INAB, the FAO and IUCN giving priority to the restoration of riparian forests, protected forests in upper watersheds, mangrove, and secondary (degraded) forests.

17. With the launch of the Bonn Challenge in 2011, the INAB, as a leading national institution in the forestry sector, promoted the creation of the Roundtable of Forest Landscape Restoration, with support from international cooperation. This platform for national dialogue and institutional articulation currently includes around 50 institutional members, representing a wide range of stakeholders (government, community organizations, indigenous peoples? organizations, the private sector, NGOs, academia, municipalities as well as the Food and Agriculture Organization of the United Nations (FAO), the International Union for Conservation of Nature (IUCN) and the United States Forest Service (USFS).

Land rights

18. Historically, land tenure in Guatemala has been insecure due to unreliable cadastral and legal information, weak inter-institutional coordination, and lack of conflict management mechanisms. The most significant challenges are found in rural areas where the unequal distribution of land and overlapping tenure regimes are a source of conflicts. Recently a new land governance policy has been under discussion, which is part of the overall Rural Development Policy - 2009 (?*Pol?tica Nacional de Desarrollo Rural Integral*?) that promotes sustainable development through access to land, legal certainty and security of land tenure, land conflict management as well as access to other productive assets that contribute to family farming and more broadly, to attract investments in agriculture. It recognizes and strengthens indigenous communal systems of land tenure and management, including land law and jurisdiction. It also recognizes and promotes women?s rights to land and seeks to promote the rural economy and contribute to the competitiveness of rural areas and their full integration into the national economy. Land issues, including access, conflict management, and tenure

security, are also central to the Government?s 2014 Agrarian Policy, as well as the K'atun 2032 National Development Plan.

Institutional framework related to integrated land use planning

19. The institutional framework related to integrated land use planning and natural resources management includes several national level institutions. The Ministry of the Environment and Natural Resources (MARN) is charged with formulating and carrying out environmental policies in Guatemala. The MARN has approved Environmental Guides for the coffee, palm oil, and cattle ranching sectors for agricultural production and processing, which include clear guidelines to develop mitigation plans and measures for the potentially associated environmental impacts. Each producer must implement environmental instruments and tools that will undergo environmental audit by the MARN. However, many of the small producers are not aware of their existence. INAB is the entity charged with the execution and promotion of forestry policies in Guatemala; it administers the PINPEP and PROBOSQUE forest incentive programs. The Ministry of Agriculture, Livestock, and Food (MAGA) is charged with developing and executing the policy for the development of agriculture and the sustainable use of natural renewable resources. Through the Vice-Ministry of Rural Economic Development, the Divisions of Productive Reconversion, Agricultural Development, and Strengthening for Productive Organization and Commercialization, and its network of agricultural extension officers, to support farmers to implement sustainable agricultural practices. The National Council for Protected Areas (CONAP) is responsible for the conservation and the sustainable use of the biological diversity and protected areas of Guatemala.

20. Al the local level municipalities are autonomous local forms of government. According to the Municipal Code, municipalities are responsible for administering and sustainably managing natural resources in their jurisdiction. In addition, Urban and Rural Development Councils have been created with the objective of organizing public administration. At the municipal level, Municipal Urban and Rural Development Councils (COMUDES), presided over by the Municipal Mayor, have the responsibility to promote, facilitate, and support the functioning of Community Councils (COCODES), which are presided over by a coordination body comprised of community members according to the Council?s own principles, values, norms, and internal procedures.

Stakeholders and description of the value chains

21. Coffee: The value chain is made up of five steps: inputs, production & storage, transformation, commercialization/export, and final consumption (see figure 1). At each step different stakeholders participate; however, there are institutions that are common to all steps like the Guatemalan National Coffee Association (Anacaf?) and the Federation of Coffee Producers? Agricultural Cooperatives of Guatemala (FEDECOCAGUA) that play dominant roles in the granting of export permits, supply of inputs, services and technical support. Anacaf? promotes the coffee industry as a profitable, sustainable, and globally competitive agroindustry, in addition to being a leading enterprise that promotes economic growth and social sustainability in the country. FEDECOCAGUA, provides support to small Guatemala producers including technical, financial, and marketing support, as well as oversight of the coffee production and export processes for international markets; it brings together 148 cooperatives, agricultural businesses and associations with approximately 20,000 members. The stakeholders participating in each step of the value chain are: i) inputs: Private companies and Anacaf?; ii) production & storage: independent producers and first level cooperatives (in 2017 there were 168 cooperatives that grouped 43,216 people); iii) transformation: second level organizations, including FEDECOCAGUA, independent cooperatives (150), and the Women Coffee Initiative (Iniciativa Mujeres en caf?); iv) commercialization/export: Second Level Organizations, Independent companies (64 in total, 25 are members of the Association of Coffee Exporters - ADEC). The largest 'traders' are also the main buyers of Guatemalan coffee from Guatemala; the five largest Traders are NKG, ECOM, VOLCAF?, LDC, and SUCAFINA; v) consumption: national retailers such as supermarkets and specialist markets including Caf? Barista, Starbucks, McCaf?, among others. In addition, several certification mechanisms are used such as C.A.F.E Practices (Starbucks), Rainforest Alliance, GLOBALGAP, IFOAM organica coffee, Caf? Bird Friendly, FairTrade, Comunidad Cafetalera, AAA Nespresso, Naturaland, and Bio Suisse.

Finally, Anacaf?, ADEC, AGEXPORT, MAGA, and second level organizations, as well as programs and projects promoted by international cooperation, provide technical assistance and support.

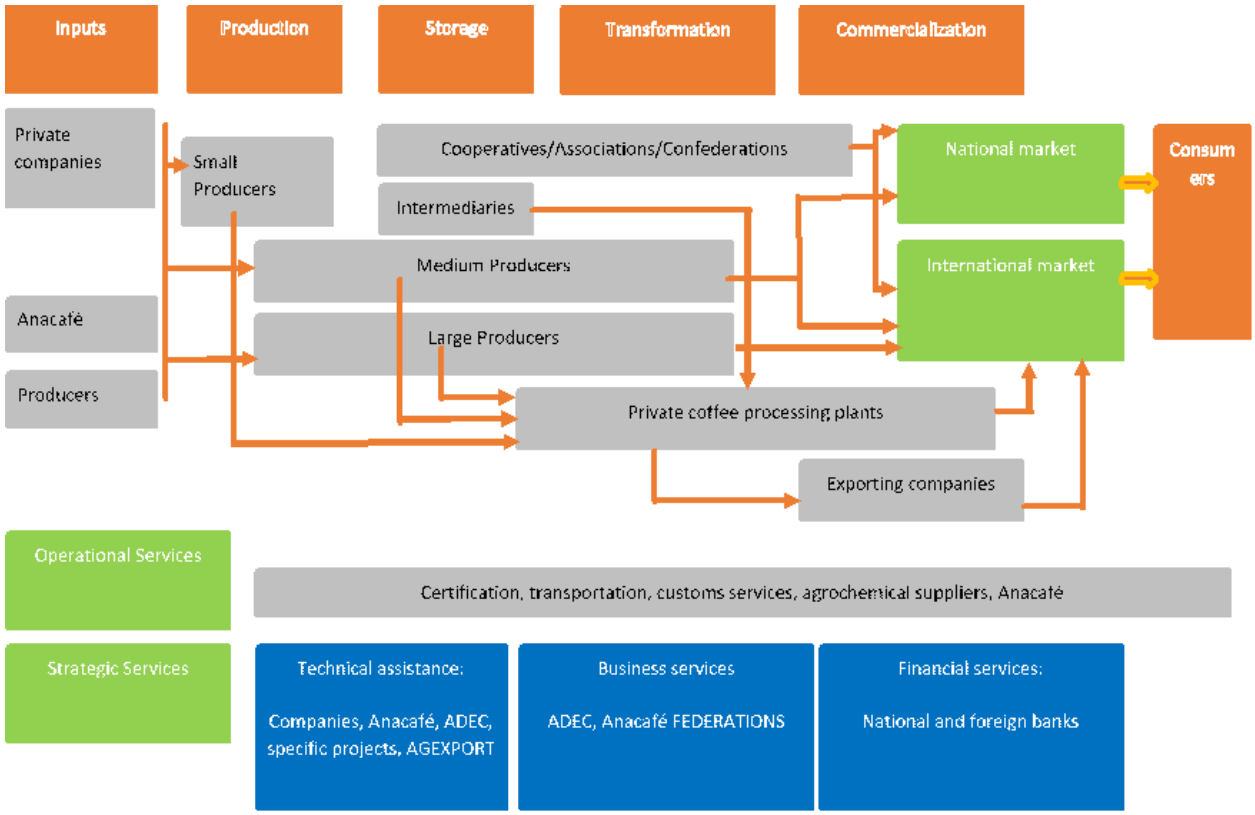


Figure 1. Coffee value chain (based on CATIE - Tropical Agronomic Research and Teaching Center, 2019).

22. Palm oil: the palm value chain is made up of six steps: service providers, palm growers, oil extractors, oil processors, national and international intermediaries, and markets and buyers (see figure 2). The stakeholders participating in each step of the value chain are: i) service providers: includes MAGA, AGEXPORT, GREPALMA, international cooperation, and private equipment suppliers (irrigation, soils, pesticides and fertilizers); ii) producers: multiple small, medium and large producers, examples are HAME, MEME, REPSA, Santa Rosa, Corporaci?n OLMECA, NaturAceites, Palmas del Ixc?n, Agrocaribe/AgroAmerica, AGROACEITE, and Propalma de M?xico; iii) oil extractors: Agrocaribe/AgroAmerica (La Francia and El Atl?ntico), AGROACEITE AgroAm?rica, Naturaceites, KH Regional Group Inc., Procesadora Quirigua, S. A., Nacional Agroindustrial, S. A., and Olmeca S. A; iv) national and international brokers: AgroAmerica; and v) buyers: UNILEVER, Cargill, and Nestle. It should be noted that a single company might have control over most or all of the steps mentioned making the value chain very simple. In addition, several certification mechanisms are used including Rainforest Alliance, BASC, KOSHER, GlobalSTD, and RSPO. GREPALMA groups together producers of different sizes; it provides political representation and technology transfer for the country's palm growing sector and works in the development of sustainability guidelines and provides strategic communication.

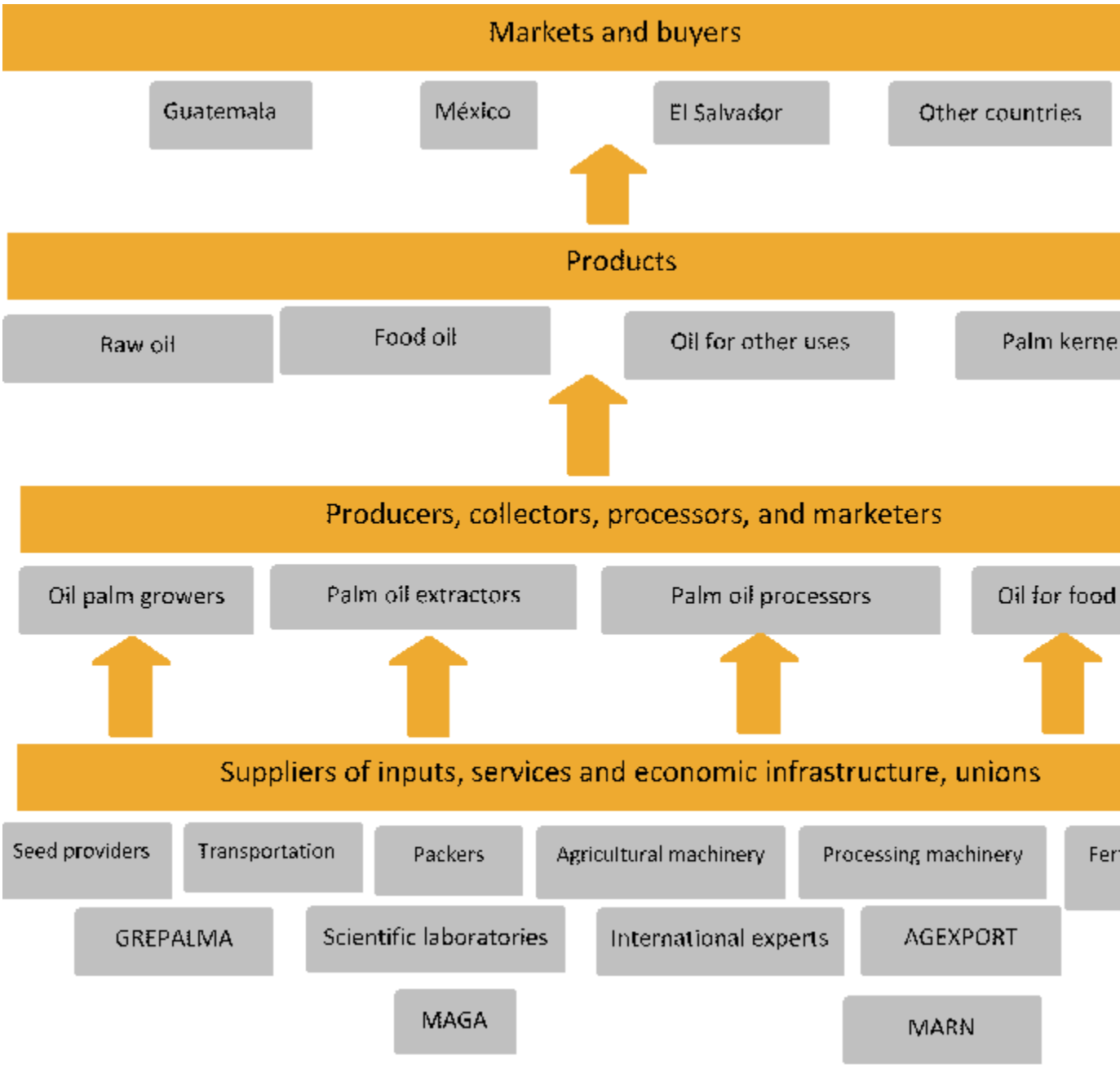


Figure 2. Oil palm value chain (Source: ISDE 2011).

23. Although there are several relevant existing financial institutions, producers need support in overcoming institutional barriers to access financial entities, such as: i) limited information: it implies diffusion and socialization of information regarding financing mechanisms available to promote sustainable production (e.g., objectives, requirements, benefits, modalities, etc.), and ii) transaction costs: the costs derived from institutional standards exceed the capacities of producers to invest in order to have access to financing solutions (e.g., legal procedures, management plans, etc.). This justifies the intervention of the project, which will contribute to correct some deficiencies of the

financial institutions and at the same time facilitate the mobilization of capital to promote the development of sustainable production systems that strengthen local economies.

24. The current context related to the targeted food systems is as follows. Coffee: Coffee is produced in all the departments of Guatemala, in 204 of the 340 municipalities The coffee crops in Guatemala are estimated to cover an area of 305,000 hectares. Recent estimates indicate that there are 12,180.61 ha (4.0%) of coffee crops in the project landscape; coffee is grown in two of the six municipalities covered by the project. Guatemala has one of the most unequal agricultural land distributions in the world. In the prioritized landscape of the project, within the municipality of La Uni?n and Gual?n, there are approximately 3,500 men and women coffee producers covering more than 8,500 hectares of cultivation. Approximately 80% of the owners are men and 20% are women. Currently these men and women producers have specific and different needs related to farming, which range from improving quality and increasing coffee production, the implementation of best agricultural and environmental practices, to diversification with different sustainable food production systems. Coffee growers in the project landscape have limited access to financing; a survey conducted as part of the PPG showed that the main sources of financing are currently credit unions (member-owned financial cooperatives), and that 88% of those surveyed do not have forest incentives. In addition, during 2018-2019, only 48 producers benefited from the National Coffee Trust, which is managed through BANRURAL; in addition, 52 coffee farms were financed through a new financial service called ?My Harvest Loan (*Pr?stamo Mi Cosecha*),? which was developed jointly by Anacaf? and the Inter-American Development Bank (IDB)-LAB project, an initiative that supports innovative projects and early stage ventures, and is commercialized through credit cooperatives present in the area. In addition, the coffee produced in the project landscape, lacks the differentiation needed to be competitive in national and international markets.

25. Palm oil: Oil palm plantations in Guatemala cover 165,510.53 ha and are distributed among three regions: 1) south (21.64%; departments of San Marcos, Quetzaltenango, Retalhuleu, Suchitep?quez and Escuintla); 2) north (58.99%; departments of Pet?n, Alta Verapaz and Quich?); and 3) northeast (19.37%; departments of Izabal and Alta Verapaz). Oil palm plantations in the project landscape cover 16,879 ha (10.2%) northeast. In the project landscape, palm oil plantations are found in the municipalities of Puerto Barrios, Morales, and Los Amates in the department of Izabal, and are certified under standards such as the RSPO and Rainforest Alliance; these standards promote sustainable food production systems, including that of Agrocaribe/AgroAmerica, the main palm oil producer in the project area. The majority of the producers in the area have carried out studies demonstrating they are free from deforestation and their implementation of best agricultural, environmental, and social practices. Agrocaribe/AgroAmerica is recognized internationally as a business that is differentiated by its best practices and leadership in sustainability and is the first palm oil producer in the world to have been certified by the Rainforest Alliance, and the first in Central America certified under the RSPO standard. Agrocaribe/AgroAmerica, directly exports 100% of the palm oil produced to Europe.

26. Current efforts by the government to develop and promote sustainable value chains as it relates to palm oil and coffee include the development of Environmental Guides for the coffee and palm oil sectors for agricultural by the MARN for production and processing, which include clear guidelines to develop mitigation plans and measures for the potentially associated environmental impacts. Each producer must implement environmental instruments, in line with the Environmental Guides and in compliance with the Law for the Protection and Improvement of the Environment, which will undergo environmental audit by the MARN. Environmental instruments are technical documents that assess the potential of the environmental impacts or risks of a project, work, industry or activity, in this case of coffee and palm oil production.

27. There are 43,061 ha of high conservation value forest (HCVF) in the project landscape (Figure 3) of which 21,037 ha are located within the prioritized areas of connectivity in the project landscape as follows:

Sierra Caral	6,242 ha
Espiritu Santo Mountains	697 ha

La Union-Zacapa mountains	726 ha
Cerro San Gil	5,160 ha
Sierra de las Minas	4,969 ha
Gual?n-Amates mountains	3,244 ha

28. HCVF were identified a part of the PPG through a connectivity analyzes conducted during the PPG considering the Forests / Areas of High Conservation Value (HCV). The identification of high conservation value forests (HCVFs) was made using the Forest Stewardship Council (FSC) methodology developed by the HCV Resource Network. This procedure was used to identify the project conservation priorities, which is based on the evaluation of six criteria to identify the areas with environmental, social, and economic values that should be protected. The Normalized Difference Vegetation Index (NDVI) methodology was used as a complement to identify the forests with the best state of development found in the areas with conservation priorities. The project commodities including livestock are linked with HCVF since they are between the main areas and remnants of HCVF and the expansion of these commodities occurs towards these areas since the rest of the prioritized landscape is already occupied by other production systems.

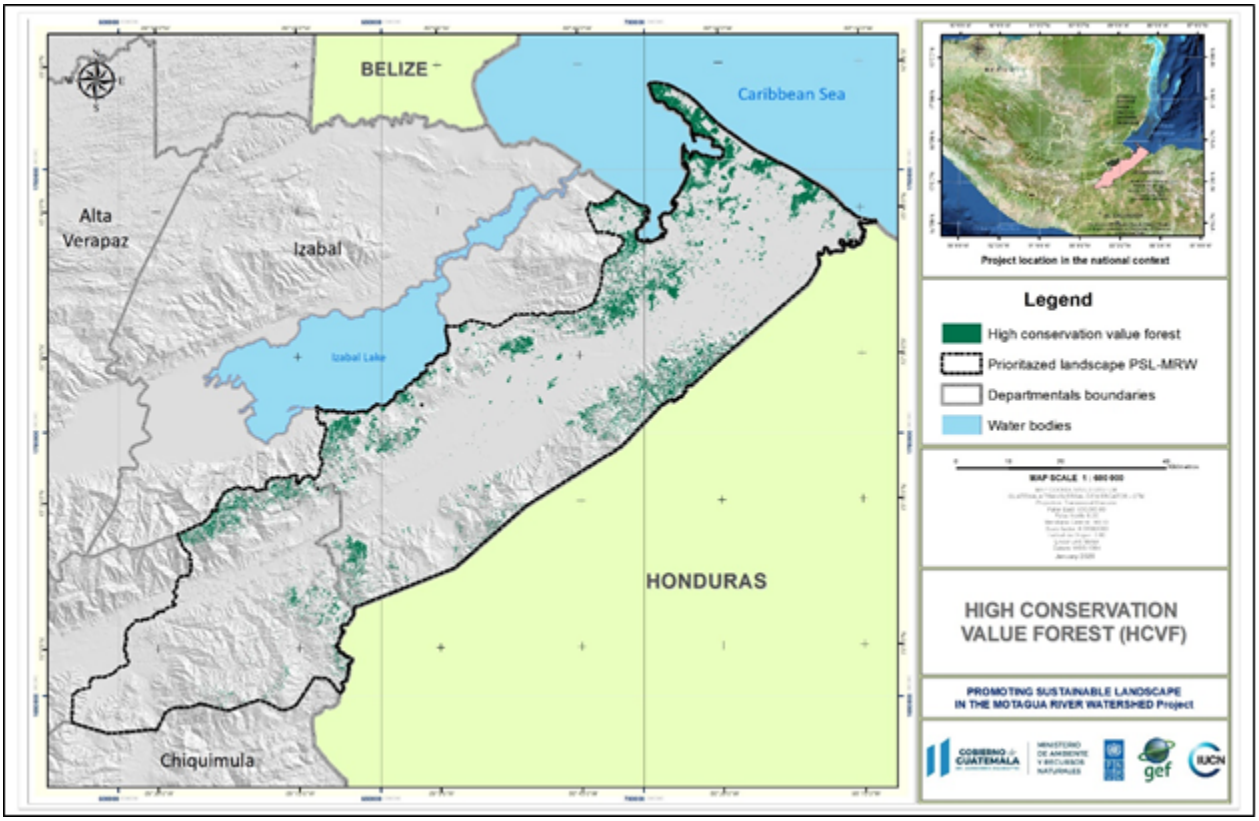


Figure 3. High conservation value forests within the prioritized landscape in the MRW.

29. Baseline investments are valued at $60,100,000 USD for a 7-year period. These include:

30. Two MARN-UNDP-GEF projects with which the project proposed herein will build synergies and complementarities: a) Sustainable and resilient landscapes in the central volcanic chain (2018-24, $11.1 million); this project will mainstream biodiversity conservation and sustainable land management objectives into production landscapes of the Central Volcanic Mountain Range in Guatemala, contributing to the welfare of local populations and the delivery of multiple global environmental benefits. The project proposed herein will build on best practices related to sustainable coffee production, the consolidation of biological corridors, voluntary conservation agreements, the

protection of endangered species, and the implementation of PES schemes. In addition, actions for capacity building at the local level will be coordinated on common issues between the two projects; and 2) Integrated environmental management of the R?o Motagua Watershed (2018-2023, $5.3 million); this project) aims at improving the integrated management of the R?o Motagua watershed and reducing land-based sources of pollution and produced emissions from unintentional formed persistent organic pollutants to mitigate impacts on coastal-marine ecosystems and the livelihoods of the local populations. Actions related to FOLUR will be coordinated based on the integrated management plan of the MRW that is being developed by this project under the GEF International Waters Focal Area.

31. Central government investments ($9 million):

? INAB will continue to protect and restore forests inside the proposed landscape through the Incentives Program for Small Holders of Land Suitable for Forestry or Agroforestry (PINPEP) and the National Forest Conservation Incentives Program (PROBOSQUE) financial incentives. Both programs provide cash incentives to landowners and landholders to invest in agroforestry activities, forest plantations, and forest management in order to reverse the processes of deforestation, reduce vulnerability to extreme weather events, mitigate/adapt to the effects of climate change, and to reduce poverty and extreme poverty in the country. Payments can be received for 6 to 10 years, and longer in the case of protection and management.

? CONAP will strengthen protected areas (PAs) and their buffer areas (including Sierra de las Minas Biosphere Reserve, Cerro San Gil Protected Springs Reserve, Sierra Caral Water and Forest Reserve, and the Punta de Manabique Wildlife Refuge), and will promote biodiversity conservation in production lands and enhanced connectivity between PAs.

? MARN will invest in watershed and soil management, and climate change mitigation; and the Presidential Secretariat for Planning and Programs (Segepl?n) will continue to provide support for the development of municipal investment plans (Institutional Strategic Plan, Multiannual Work Plan, and Annual Work Plan [PEI-POM-POA]) and development and land use plans (PDM-OT in the municipalities.

32. Investments from local governments ($5.0 million): investments from municipalities of the project landscape (Puerto Barrios, Morales, and Los Amates in the department of Izabal and La Uni?n, Gual?n, and Zacapa, in the department of Zacapa) will be directed to development of the PEI-POM-POA and PDM-OT, to ensure a sustainable supply of water by protecting forests in headwater areas and riparian areas. The PEI-POM-POA is a planning instrument that allows the programming of municipal actions and projects, and the allocation of resources for their implementation based on strategic planning. The PDM-OT is the instrument to implement national development priorities at the municipal level; it articulates public policies, sectoral / institutional planning, international cooperation, public investment, and the budget. The PDM-OT favors the implementation of risk management and climate change mitigation and adaptation, promotes the implementation of the ecosystem approach to land use planning, and seeks ethnic and gender equality.

33. Investments from NGOs ($4.5 million) including Defensores de la Naturaleza and FUNDAECO will complement national and local government actions and will be framed within the goals of the National Restoration Roundtable for the Forest Landscape, and for the conservation of biodiversity and certification of best production practices.

34. Three IUCN projects are aligned with this initiative:

? Building livelihood resilience to climate change in the upper basins of Guatemala?s highlands (GCF-KOICA 2020-27, $4 million). This project aims to reduce the impacts of climate change on the hydrological cycle in target highland watersheds through improved land use practices. The project will mainstream climate change considerations into integrated watershed management practices, working closely with local communities and municipalities. The project also works mainstreaming ecosystem based adaptation practices into municipal and national policies. The Project will benefit from these thematic synergies as well as from capacity building and knowledge products generated. Moreover,

geographically, the GCF project focuses on IWM in the upper basins of the Motagua watershed, whereas the FOLUR project will focus its intervention in the lower part of the basins.

? Regional coastal marine biodiversity conservation, with actions in the Honduras-Guatemala border (USAID 2018-22, $10 million). This initiative contributes to prosperity, governance and security in three countries in Central America by incentivizing the conservation and the reduction of threats to biodiversity in coastal-marine ecosystems?such as mangroves, seagrass beds, and coral reefs?and their associated upland ecosystems in the binational border regions of the Miskito Coast (Honduras), Motagua River Basin (Honduras and Guatemala), and Paz River Basin (El Salvador and Guatemala). The FOLUR Project will benefit from existing synergies in the Motagua watershed, including coordination with municipal offices for women affairs, regional CONAP as well as biodiversity conservation and ecosystem management.

? Linking the Central American Landscape Programme (2019-24, $1 million). This regional initiative will work in 8 countries tackling ecosystem fragmentation and landscapes management at large scale. Activities include conservation of key ecosystems working on the protection and rehabilitation of natural linkages among the fragmented habitats within a landscape unit. The Program Objective is that by 2030 priority ecosystems, including protected areas and their connectivity, contribute to adaptation and mitigation of climate change, improving the quality of life of Central American populations. In Guatemala the project will have its main intervention in the Motagua basin, thus directly contributing and building synergies with the FOLUR Project, through the implementation of three components: Component 1: Strengthening of priority ecosystems, including protected areas, through actions that entail management effectiveness and with threats to biodiversity; Component 2: Interconnected functional landscapes; and Component 3: Governance mechanisms and of joint management with indigenous, afro-descendant and local communities to operationalize the rights approach in conservation processes.

35. The KfW Development Bank will invest in promoting sustainable agriculture and climate adaptation in the Dry corridor (2016-22, $10.2 million) in southeastern Guatemala. Modified production systems are being designed to make more efficient use of soil and water, and render them more resistant to the effects of climate change. In addition, this investment will contribute to reduce deforestation by 20%, increase productivity of basic grain crops by 20% to 50% using differed irrigation systems, and will increase women participation in agricultural and agroforestry production systems by 30%.

3) The proposed alternative scenario with a description of outcomes and components of the project.

36. The project strategy is aligned to the original Child Project Concept. The structure of the project components closely resembles the Child Project Concept approved by the GEF. To achieve the project?s objective and intended change, four main components have been developed to strengthen the institutional and governance framework for ILM in which the food production systems of the oil palm and coffee are integrated with ecological systems (Component 1), so that they promote, in a prioritized landscape of the MRW, the sustainable production of and responsible value chains for these products and other food systems (Component 2), as well as the conservation and restoration of degraded natural habitats that are a result of non-environmentally friendly production (Component 3). The solutions, best practices, and lessons learned that result from the implementation of this strategy will be systematized and disseminated to facilitate their replication and scaling up in other landscapes and sectors in Guatemala and at the global level, and to support the adaptive management of the project (Component 4).

37. Project Component 1 will allow the strengthening of the institutional and territorial planning framework for the implementation of sustainable food production practices (through Component 2) and the conservation and restoration of natural habitats (through Component 3) in a selected landscape. Project actions will result in strengthened governance at the national, private sector, and local levels to plan for and implement ILM. This will include enhanced coordination of actions, exchange of information, and defining guidelines for sustainable food production and the restoration of degraded lands between key government agencies (MAGA, MARN, CONAP, and MINECO). The project will facilitate the review and updating of the existing agreement with the Interinstitutional Coordination Group (GCI), which is composed by MAGA, INAB, MARN, and CONAP, to create a technical group to address issues related to the FOLUR (Output 1.1.1). The GCI was established in 2015 through a technical cooperation agreement that includes the MARN, INAB, MAGA and CONAP. The project will strengthen the GCI with the inclusion of MINECO and by providing its members with tools and training to addresses FOLUR issues in a comprehensive manner, including building partnerships with key stakeholders at the landscape level through MOU to effectively support the implementation and the achievement of the objectives and goals. This activity will be coordinated with members of the GCI and institutional legal experts and will culminate in the signing of the updated agreement and its socialization at the local and national levels, so that the national and local stakeholders of the FOLUR (departments of Zacapa and Izabal) may become familiar with the new governance structure. This will serve as a space for the presentation of the progress of the project implementation. Events to raise awareness about the agreement and its updating process will be held targeting the key stakeholders in the prioritized landscape for project implementation, including groups of beneficiaries and those implementing ILM systems. After this, the GCI agreement will be revised and updated to ensure that issues related to sustainable land use, landscape restoration, biodiversity conservation, and food production systems are considered. In addition, a mechanism to operationalize the participation of MINECO in the agreement will be defined in coordination with MINECO officials. The FOLUR technical group will consist of representation from the institutions that are part of the GCI, in addition to participation from MINECO, and a plan will be developed to operationalize the governance structure of the updated agreement. Bilateral workshops and meetings will be held to achieve this with the FOLUR technical group of the GCI, which allow the member agencies to enhance collaboration and to develop proposals or to update or create new regulations and/or policies that will contribute to achieve the goals of the FOLUR.

38. At least three (3) agreements with the government agencies of Outcome 1.1.1 (MINECO, INAB, CONAP, MAGA, MARN) and the Presidential Secretariat of Planning and Programming (Segepl?n), the private sector (palm oil and coffee), and civil society (FUNDAECO, Fundaci?n Defensores de la Naturaleza, and the Guatemalan Association of Private Natural Reserves [ARNPG]), will be established to enhance collaboration and the exchange of environmental and production information that will support the implementation and monitoring of sustainable production of palm oil, coffee and conservation of forest including HCVF (Output 1.1.2). The stakeholder analysis conducted during the PPG phase, as well as a study of the existing national and subnational platforms, will define the existing participation processes and gaps and identify new stakeholders who can participate in these agreements and consequently in the project implementation process; special consideration will be given to stakeholders who have presence in the Departmental Development Councils (CODEDE of Zacapa and Izabal). In addition, coordination platforms related to FOLUR issues will be identified and included in the agreements. An analysis of coordination procedures and information exchange mechanisms will be conducted, and operational guidelines will be defined within the framework of the agreements through participatory workshops.

39. The project will also facilitate the implementation of the MARN?s Sectoral Environmental Guides and its environmental assessment instruments (Output 1.1.3). The Sectoral Environmental Guides incorporate best environmental practices to be followed by the production sectors, among others, and are used as the basis for conducting environmental audits. The Sectoral Environmental Guides under the section on Environmental Management Plan, promotes the implementation of sustainable agricultural practices such as agroforestry and silvopastoral systems, forest protection, management and restoration, sustainable management of soils, efficient use of water resources, conservation of biodiversity, among others. Likewise, it is important to mention that these

guides are an instrument for the implementation of the Regulation of Environmental Evaluation, Control and Monitoring (Government Agreement Number 137-2016) and for the implementation of the Environmental and Climate Change Policy of GREPALMA and Anacaf?, as well as the National strategy of sustainable cattle ranching with low emissions of MAGA, which are policies consistent with the objectives of FOLUR. Accordingly, the project will train MARN staff (central delegation and delegations from Zacapa and Izabal) and producers (coffee, palm oil, and cattle) in the implementation of the MARN?s Sectoral Environmental Guides and its environmental assessment instruments, and will support control and monitoring actions, particularly of the mitigation measures that are part of the commitments acquired through the environmental assessment guidelines, which implies supporting the different divisions of MARN. Informational materials will be developed to inform producers about the Environmental Guides and their requirements, including the development of a Compensation Manual targeting producers (coffee and palm oil). The project will support control and monitoring activities, particularly the mitigation measures that are part of the production sector commitments made through the Environmental Guides. Knowledge and experiences regarding implementation of the environmental instruments will be systematized.

40. As part of the strategy for improving the socio-environmental role of existing platforms (e.g., the National Roundtable for Restoration of the Forest Landscape, GREPALMA, Anacaf?, Mesoamerican Palm Oil Alliance [MAPA], and the Agriculture and Livestock Coordination Council), the project will establish two inclusive interinstitutional and intersectoral action plans that will guide the implementation of sustainable food systems and the conservation of HCVFs (Output 1.2.1). To achieve this, an analysis of causality associated with palm oil and coffee production and other food production systems (e.g., basic grains, bananas/plantains, and cattle ranching) and deforestation will be performed, which will help to identify the direct and underlying causes associated with deforestation and non-sustainable food production systems, which in turn will serve as the basis for developing the action plans. In addition, studies about stakeholders and the benefits of value chains for coffee and palm that were developed during the PPG phase will be updated. Committees will be formed to pilot the inclusive action plans per commodity (palm oil, coffee, and other food production systems), as well as local and national work groups to address externalities and potential benefits in which women and indigenous community representatives will participate and considering the environmental and social safeguards of the project. Technical and logistical support will be provided to work groups for conducting their assessments related to each commodity. The inclusive action plans will include specific lines of work that promote sustainable production as well as a system for monitoring the implementation of the plans, collecting data, and sharing information on the performance of the stakeholders participating in sustainable production and forest conservation. A monitoring and evaluation report of the actions implemented in accordance with said plans will be developed and shared at the end of the project.

41. The causality analysis associated with the sustainable production of palm oil, coffee, and other food production systems (e.g., basic grains, bananas, and cattle), and deforestation of HCVF to be developed under Output 1.2.1, will serve to identify the current and potential points of conflict between production and conservation as well as opportunities in sustainable production systems (Output 1.2.2). This will be complemented by a map of existing conflict in the project area, focusing on risks, articulating with the Land Fund (FONTIERRAS)[14][6] and typifying existing spaces and mechanisms for the prevention and management of conflict.

42. The project will also facilitate that the coffee and palm oil sectors join (through organizations such as GREPALMA, Anacaf?, FEDECOCAGUA, Agrocaribe/AgroAmerica, AGEXPORT, and CAMAGRO) the National Roundtable for Restoration of the Forest Landscape (Output 1.2.3), which includes among its members the technical branch of the GCI, the private sector, international cooperation organizations, non-governmental organizations (NGOs), CSOs, the National Association of Municipalities of Guatemala (ANAM), and members of the academic sector. This will be another mechanism by which the barrier related to lack of sharing information from the private sector platforms about their activities with national and local environmental officials, or with civil society will be overcome. Meetings will be held with leaders of the private sector organizations and

the National Roundtable for Forest Landscape Restoration to inform them about the objectives of the roundtable and the participation of the production sectors (GREPALMA, Anacaf?, FEDECOCAGUA, Agrocaribe/AgroAmerica, AGEXPORT, and CAMAGRO) and how they will collaborate and exchange information with other public and civil society sectors.

43. At the local level, Project Component 1 will support the development and implementation of five micro-watershed gender-sensitive management plans (Output 1.3.1) that will harmonize the conservation of natural resources with palm oil, coffee production and other food production systems, adaptation to climate change, and the development of a gender-sensitive mechanism for strengthening development councils at the subnational, municipal, and community levels, as well as local associations for the management of the MRW and micro-watersheds. Micro watersheds are key planning units for natural resources management under the guidance of the National Commission of micro-watersheds of Guatemala. In Guatemala, micro watershed associations encompass communities who share water resources in the watersheds of tributary streams. The associations are organized to coordinate resource management of shared water and land resources and, critically, how this can be integrated with community development. In addition, communities living in these micro watersheds are organized in community councils (known nationally as COCODEs); the coordinator of each micro-watershed association to be supported by the project will be part of the COCODE. In turn, the COCODEs have representation in municipal level councils known as COMUDEs, and which are made up of the mayor and the municipal corporation. As a decision-making body, the COMUDEs are key for local territorial and natural resources management. Accordingly, by participating in the COCODES through its coordinator, and with representation in the COMUDEs, the micro-watershed associations will have continued presence within the existing governance structures at the municipal level, which will ensure their sustainability. Biophysical and socioeconomic baseline information will be collected and analyzed, and maps of each micro-watershed will be developed. A micro-watershed committee will be formed for each area selected, including women?s participation as well as other vulnerable groups, which will comprise the basic governance platform of each area. Likewise, the municipalities will be supported so that the micro watershed management plans form part of the Municipal Development and Land Use Plan (PDM-OT) of the municipalities in the project landscape. The updated map of restoration priorities will also serve as a tool for the implementation of the National Strategy for the Restoration of the Forest Landscape of Guatemala. Likewise, it will become a management tool for the National Roundtable for Restoration of the Forest Landscape with participation form the government (INAB, MAGA, CONAP, MARN), civil society and the private sector. This map will also serve as a tool to facilitate the implementation of other policy instruments directly related to the project such as the PROBOSQUE Law Incentive Program and Incentives Program for Small Holders of Land Suitable for Forestry or Agroforestry (PINPEP), and others such as the REDD + Strategy and Low Emission Sustainable Bovine Livestock Strategy, among others. Finally, it is important to mention that these maps may be used by municipalities to update biophysical information at the territorial level, which in turn may be used to update the PDM-OTs.

44. Also at the local level, the project will strengthen the governance of six municipalities for developing and implementing ILM systems; this will be achieved by supporting their efforts for strategic land use planning through Municipal Development and Land Use Plans (PDM-OT) (Output 1.3.2) and for prioritizing investment through programmatic planning (i.e., Institutional Strategic Plan, Multiannual Work Plan, and Annual Work Plan [PEI-POM-POA]) (Output 1.3.3) in sustainable food production systems, the restoration of degraded ecosystems, the reduction of deforestation, and adaptation to climate change. To achieve this, an analysis of the status of each PDM-OT will be carried out based on the guide to prepare PDM-OT from Segepl?n, and agreements will be reached with Segepl?n and the municipalities regarding the type of support that the Project may provide to complete the PDM-OT. The project will establish cooperation agreements with the municipal councils to develop the PDM-OT and their proposed regulation and will provide technical assistance and logistical support for their development and/or updating. Regarding the PEI-POM-POA, the project will support the municipal technical units to develop and update them in the same six municipalities where the PDM-OTs and their proposed regulation will be developed and/or updated, and implemented. The PEI-POM-POA will prioritize water security with investments in sustainable food production systems, restoration of degraded ecosystems, reduced deforestation, and adaptation to

climate change. The PEI-POM-POA will be a key planning tool at the local level, as they will prioritize municipal-level investments for ILM; in addition, they will monitor the level of implementation of the actions described within. Monitoring and follow-up of the implementation of the PEI-POM-POA in the six municipalities will be conducted jointly with municipal authorities, including tracking municipal ranking in coordination with Segepl?n, which will measure administrative and financial management performance, citizen participation and information sharing, delivery of public services, and communication with the local population.

45. The project will develop participatory restoration priority maps for the MRW (Output 1.3.4). Restoration priorities in the MRW will be defined using updated land cover maps from INAB (2016 or the most recent version). An analysis of opportunities for landscape restoration will be performed, considering the knowledge held by communities, indigenous and other vulnerable groups, such as youth and women, using the Restoration Opportunities Assessment Methodology (ROAM)[15][7], which provides a flexible framework for identifying and evaluating forest landscape restoration opportunities, prioritizing those areas where the forests and soils are degraded; this is the case of the prioritized landscape, as a result of non-sustainable production practices for food systems including palm oil, coffee, basic grains, and cattle. Once they are developed through a participatory and inclusive process, the maps will be published and disseminated among the project?s key stakeholders (including communities, women, indigenous peoples, and other vulnerable groups) and will be adopted and used as a tool to achieve ILM, including prioritizing restoration actions and investments in the micro-watershed plans (Output 1.3.1) and PDM-OT/PEI-POM-POA, respectively (Outputs 1.3.2 and 1.3.3) informing and prioritizing restoration investments through Component 3.

46. Finally, the project will develop and implement a mechanism to strengthen governance for the operationalization of the CODEDE, COMUDE, COCODE, and micro-watershed committees for ILM, using an intersectoral, gender-based and multicultural focus (Output 1.3.5). To achieve this, an analysis of the current operational capacities of the CODEDE, COMUDE, COCODE, and micro-watershed committees in the prioritized landscape will be performed, with an emphasis on the capacity for implementing actions for achieving ILM and informed by the capacity development assessment conducted during the PPG phase of the project. The gaps identified will serve as the basis to develop the governance strengthening mechanism, which will consist of plan to be implemented through the project and that will consider monitoring and follow-up using the citizen participation index per the Municipal Ranking in coordination with Segepl?n.

47. Project Component 2 will allow increasing the resources available for local producers to implement sustainable food production practices and responsible value chains primarily for palm oil and coffee as the main commodities of focus, prioritizing vulnerable producers including those most affected by the COVID-19 pandemic. Secondary support will be given to cattle ranching and other subsistence food systems (e.g., maize, beans). The project will focus primarily in palm oil and coffee in Component 2 by providing technical assistance and capacity development to promote sustainable production systems (Outputs 2.1.1, 2.1.2, and 2.1.3), and marketing opportunities primarily for coffee (Outputs 2.2.1 and 2.2.2). The project will also provide support but on a secondary basis to cattle ranching and other subsistence food systems (e.g., maize, beans).

48. The project will facilitate access to existing national public incentives (Incentives Program for Small Holders of Land Suitable for Forestry or Agroforestry [PINPEP], National Forest Conservation Incentives Program [PROBOSQUE], National Coffee Trust) and loans from financial institutions (e.g., Rural Development Bank [BANRURAL], Banco Agromercantil, and credit unions), particularly for coffee growers; financing institutions will provide incentives in the form of favorable loans and direct cash payments (e.g., PINPEP and PROBOSQUE) to facilitate the transition from unsustainable production practices to sustainable production practices. Coffee growers were prioritized to access to financial incentives and sustainable market development due to the following. During the interviews carried out as part of the project design, coffee farmers indicated that depending on market conditions, they intend to expand their crops. They indicated that the new producers (young people who are starting their own families) are those who are establishing new coffee farms and

existing forested areas are preferred to take advantage of the existing natural shade. This will lead to the transformation of forest areas to coffee crops, causing deforestation in the short and medium term. In addition, if a positive change in market price were to occur, it could increase pressure on the forest or forest patches (including within protected areas such as Sierra Caral or Sierra de Las Minas), which in the case of coffee would be accentuated by low productivity and drive the expansion of the areas under cultivation. To this end, the project will implement a program of technical assistance for coffee producers that will include support for developing farm management plans and a socio-environmental business model that will facilitate access to financial incentives (Output 2.1.1). This will include support to coffee producers, including those most affected by COVID-19, in the development, implementation, and strengthening of management plans for production areas and their diversification with sustainable food production systems. The project will complement actions by Anacaf? and other stakeholders in the coffee value chain with direct relationships to the area?s coffee growers by providing additional technical support and promoting additional sustainable agriculture for developing and complementing production unit management plans. In addition, the project will strengthen and promote the diversification of coffee farming as a sustainable food production system, improving shaded areas through improved forest cover practices (e.g., LMTs, see Output 3.1.1) and fruit trees that will ensure the continuity of the coffee crop as an agroforestry system free from deforestation and resilient to climate change. The project will build alliances with companies who already have a vested interest in the project landscape. Starbucks and ECOM (Exportcaf?) are collaborating to support farmers in the implementation of better production practices, with the aim that farmers will comply with Starbuck?s corporate sustainability program, ?C.A.F.E. Practices?. In addition, the project will work to engage private processors and in the medium term build partnerships with them to increase their support to local farmers. Finally, the project will provide support for the environmental standardization of the coffee producers within the current environmental regulatory framework, including the development and implementation of environmental assessment instruments based on the Environmental Guide for coffee approved by the MARN (Output 1.1.3).

49. Support will be provided for mobilizing financial resources primarily for coffee producers, and secondary support to cattle farmers, and other agroforestry systems (e.g., cardamom and cacao) through the National Coffee Trust, forest incentives, and low-interest loans from financial institutions for sustainable production practices. This will include support to coffee growers in the prioritized landscape to access forest incentives managed by INAB under the PROBOSQUE Law and the PINPEP Law, an analysis to determine the feasibility and benefits of other credits from banks with ad hoc conditions for the agricultural sector to support productivity and best socio-environmental practices, and establishing synergies with key stakeholders of the coffee value chain, such as buyers, roasters, exporters, and intermediaries, to create value chains based on improving productivity and best environmental practices that positively impact producers, the community, biodiversity, and forests. In addition, the project will work closely with Anacaf? to promote a new financial service called ?My Harvest Loan (Pr?stamo Mi Cosecha),? which was developed jointly by Anacaf? and the Inter-American Development Bank (IDB)-LAB project, an initiative that supports innovative projects and early stage ventures, and is commercialized through credit cooperatives present in the area. The project will also make use of other existing financing mechanisms (i.e., loans) that consider environmental aspects and that benefit coffee growers in the project area and that are available through national banks such as Promerica and Banco Agromercantil. Finally, the development of a socio-environmental business model for deforestation-free coffee value chains will benefit and contribute to improving the quality of life of coffee producers.

50. An inclusive technical assistance program for palm oil producers (e.g., Agrocaribe/AgroAmerica, a subsidiary of AgroAmerica, a multinational agri-business corporation certified in sustainable agrifood production) will be developed to strengthen their socio-environmental responsibility plans (Output 2.1.2). Currently, palm oil plantations in the project are all certified under standards such as RSPO and Rainforest Alliance. However, under the leadership of Agrocaribe/AgroAmerica, the largest palm oil producer in the project landscape, there is an opportunity to strengthen the socio-environmental responsibility plans that promote the new sustainable food production systems in the direct areas of influence of palm oil plantations. Best practices and improved palm oil production opportunities will be mapped out and will include a review of current policies, plans, and programs related to dignified work, gender equality, and human

rights and development, as well as the respective monitoring and control systems in order to make contributions for improving performance, where appropriate. In addition, an analysis will be performed in consultation with local stakeholders to determine whether work conditions within Agrocaribe/AgroAmerica comply with the standards for dignified work and if the salary earned by the workers meets their needs?this would be determined using an international methodology such as ?living wage? or that established by the RSPO. This information will be used so that the project may provide technical assistance and supervision to Agrocaribe/AgroAmerica in the design and implementation of socio-environmental responsibility plans. These assessments will be the basis for the promotion and implementation of sustainable food production systems in communities in the areas of direct influence of palm oil plantations, as part of integrated landscape management and applying traditional knowledge, as well as the creation and facilitation of a mechanism for territorial and production dialogue to replicate and scale-up best practices for sustainable management and social inclusion. The development of models for family gardens and farms and the design of sustainable food production systems will improve current practices and opportunities for improved production of basic grains, fruits, and cattle beef. Finally, technical support will be provided to create spaces for interinstitutional and intersectoral dialogue, and to document and socialize the best practices for sustainable production of palm oil and social inclusion.

51. An inclusive capacity development program for public institutions, the private sector, palm oil, coffee, and agroforestry producers, and secondary support to other food production systems for small-scale producers and medium-scale cattle ranchers implemented (Output 2.1.3). The project will implement an inclusive capacity development program based on the analysis of capacities of each of the institutions that will participate in the project, which was performed during the PPG phase using UNDP?s Capacity Development Scorecard and identified gaps for implementing sustainable production and maximizing social and environmental benefits. Different training modules will be developed to strengthen capacities regarding biodiversity conservation, including conceptual and practical knowledge especially about ecosystems and species conservation, protected areas, mainstreaming biodiversity into production landscapes and sectors, adaptation to climate change, and for the implementation of best practices and the reduction of socio-environmental impacts and conflicts in the project area. Beneficiaries will include agricultural producers present in the prioritized landscape who will be trained on the use of Good Agricultural Practices (GAP) on farm, and local governments, including the existing COCODES, whose training will focus mainly on the development, implementation, and monitoring of the land use plans (micro-watershed management plans. Output 1.3.1.; and PDM-OTs, Output 1.3.2) focusing on natural resource sustainability, landscape approach, productivity, and competitiveness. Training modules will be developed jointly with the MARN, MAGA, INAB, and CONAP and support from national universities such as the Universidad de San Carlos de Guatemala, Universidad Rafael Land?var, and Universidad del Valle de Guatemala, among others. In addition, the capacity development program will develop the skills need for implementing the MARN?s Sectoral Environmental Guides for palm oil and coffee, and secondary support to banana crops and cattle ranching. Accordingly, the project will support Anacaf? and GREPALMA, who lead the application of the environmental guides within their sectors, to inform producers in the project prioritized landscape about the guides and their content through workshops, meetings, printed material, and other means. In addition, key stakeholders will be trained to develop and implement environmental instruments that the guides mandate, in coordination with Anacaf?, GREPALMA and the MARN, among other governing bodies. The project will also support the monitoring and control processes, particularly the mitigation measures specified in the environmental guides. Finally, training activities will be conducted to facilitate the implementing of actions on the ground for conservation (connectivity and habitat protection), restoration, deforestation-free practices, and monitoring and control; and for production-conservation conflict management mainly around issues of wildlife management within production areas, zero-deforestation, habitat fragmentation and protection, ecosystem connectivity, land use planning at the landscape level, areas restricted from expansion for production activities, sustainable water management, conservation and restoration of riparian forests, protection of drinking water sources, soil conservation practices, and reduction in the use of agrochemicals in production systems.

52. An inclusive competitiveness program prioritizing coffee (and secondary support to cattle beef and other sustainable food production/agroforestry products) will allow the differentiation

needed for coffee produced in the project landscape to be competitive in national and international markets (Output 2.2.1). The program will be determined by: a) identification of successful cases at the national and international levels in increased productivity/sustainability or improved qualities that can be applied to project?s commodities, including successful cases with the participation of women and/or indigenous peoples; b) consultation and research to determine market requirements, such as requirements for certification (e.g., Rainforest Alliance, Fair Trade, and others); and buyer and exporter requirements such as those of Exportcaf?/ECOM (which is present in the area); and c) identification of differentiating elements, placing priority on the quality of the coffee, which should include pre-harvest and post-harvest management activities; in addition to environmental attributes such as being classified as a deforestation-free agroforestry system, contribution to enhance ecosystem connectivity, and supply of ecosystem services making use of environmental services loans, among others. In addition, the program will allow to determine existing gaps to enhance competitiveness, create action plans, establish key partnerships for implementation, and develop indicators that will be validated, reviewed, and approved by the project?s executing unit and key stakeholders. Finally, technical support will be provided for program implementation and to systematize lessons learned that may be shared with other coffee farmers for their implementation with support from Anacaf?.

53. The inclusive competitiveness program prioritizing coffee will be complemented with a marketing strategy that focuses mainly on coffee produced in the project landscape (La Uni?n and Gual?n) and other secondary products of sustainable food production systems that will be supported by the project and that have defined markets with opportunities for differentiation (Output 2.2.2). The marketing strategy will be developed using as a reference successful cases of coffee marketing in other areas of the country, participation in regional competitions such the Cup of Excellence, auctions promoted by Anacaf?, and participation in the national fairs or festivals promoted by Anacaf? or international fairs within the framework of Guatemalan Coffees (a national coffee brand that Anacaf? has positioned to promote Guatemalan coffee). The marketing strategy will be supported with GEF funding and through cofinancing from Anacaf?. The marketing strategy will primarily focus on sustainable coffee produced in the prioritized landscape as a result of the project. The marketing strategy aims at maximizing economic benefit for small and medium coffee producers by positioning the different attributes of coffee from the project landscape including quality, environmental and social best practices, zero-deforestation commitments, and gender equality and/or indigenous peoples variables, among others. Coffee from the project landscape will result in GEBs by reducing deforestation, and the restoration of degraded areas and the enhanced ecosystem connectivity through the implementation of landscape management tools, including agroforestry systems associated to shade coffee. The marketing strategy will be complemented by providing technical support (Output 2.1.1) to reduce gaps in environmentally and socially sustainable agricultural practices during the cultivation phase and the harvest and post-harvest phases, and training courses for marketing coffee such as those offered by AGEXPORT. In the case of products from other food production systems, an analysis will be performed to determine which product has the maturity to make use of a marketing strategy and determine the basis for this strategy. All the knowledge developed, and lessons learned from the proposed activities, will be systematized for replication.

54. To address deforestation caused by cattle ranching and subsistence crops, an inclusive production program will be implemented (Output 2.2.3) that will allow identifying and engaging key stakeholders such as the Izabal and Zacapa Cattle Ranchers Associations and producers, including women and indigenous groups. Best socio-environmental practices will be implemented, which will result in sustainable food production systems with a focus on integrated landscape management and the reduction of deforestation. More specifically, support will be provided to develop silvopastoral and sustainable grazing systems, family farms and food gardens using good environmental practices already documented and tested in the area, based on the National strategy for sustainable cattle farming with low emissions, and others that may be identified with MAGA and found to be applicable to local conditions, and that contribute to food and nutritional security. The adoption of agroforestry systems will also be promoted with INAB to enhance ecosystem connectivity, promote diversification, and implementation of high-protein-value crops. Existing related projects or initiatives will also be identified to promote replication and to consider lessons learned, and to build synergies with these initiatives.

55. Finally, to verify that palm oil and coffee farms that are participating in the project are free of deforestation, a spatial verification system will be operationalized within the Forest and Land Use Interinstitutional Monitoring Group (GIMBUT) (Output 2.2.4); the GIMBUT was established within the framework of Guatemala?s REDD+ strategy. The spatial verification system will be used to assess changes in land use/land cover for the palm oil, coffee, basic grains, and other food production systems such as cattle ranching. Based on this information, periodic reports about the changes in land use in each production unit will be generated, which will be used to determine if they comply with the zero-deforestation objective. In addition, the project will support training for GIMBUT members to increase the frequency and scale of mapping the forest cover, and reporting, in the prioritized landscape. The Spatial Verification System will feed into existing information platforms such as the National Information System for REDD+ (SIREDD/MARN) portal (http://siredd.marn.gob.gt/siredd), the INAB website (http://www.inab.gob.gt), the National Territorial Information Systems (SINIT) website of Segepl?n (https://www.segeplan.gob.gt/nportal/index.php/servicios/sistemas-en-linea/sinit), and the National Information System for Climate Change (SNICC) of the MARN (https://snicc.azurewebsites.net), using interactive/online maps and through analytic reports that can easily be consulted by the project stakeholders and general public, and which are periodically published in those platforms and that will have electronic links and sections related to the FOLUR Child project informing about the results of the Spatial Verification System.

56. The beneficiaries participating in sustainable agriculture activities include 1,500 small coffee farmers, including women and indigenous peoples, through the diversification of coffee farming as a sustainable food production system. In the case of palm oil, the project will support the socio-environmental responsibility plans of Agrocaribe/AgroAmerica, the largest producer of palm oil in the project landscape and already certified by the Rainforest Alliance and RSPO sustainability standards. More specifically, the project will support the socio-environmental responsibility plans and promote sustainable food production systems in the direct areas of influence of the palm oil plantations, where many Q?eqchi? communities live. According to the RSPO standard, socio-environmental responsibility plans must be based on the mitigation of negative impacts and contribute to the improvement of the livelihoods of their stakeholders. Accordingly, the project will promote sustainable food production systems among local communities/producers (basic grains, fruits, and cattle ranching) and facilitate access to markets for sustainable food products, enhancing food security and creating opportunities for additional income for households. In addition, the project will benefit 75 production units of producers implementing best practices for cattle ranching (e.g., silvopastoral and sustainable grazing systems), subsistence farming (e.g., family farms and food gardens), and for other crops.

57. Project Component 3 will allow the implementation of landscape management tools (LMTs), which include micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, and agroforestry (Output 3.1.1), allowing to restore 25,000 ha of degraded forest and agricultural lands (6,403,578 tCO_2-eq sequestered through LMT over a 20-year period) which will enhance ecosystem connectivity between forest remnants in production landscapes and of HCVF. Restoration activities using LMTs, which will cover 25,000 ha, include: a) restoration of natural vegetation and establishment of plantations with native species for production = 11,500 ha; and b) agroforestry and silvopastoral systems with permanent crops, and agroforestry systems with annual crops = 13,500 ha. The project will use GEF resources to implement LMTs, which will be used primarily to provide the needed plant material (native species). These LMTs include micro-corridors, forest enhancement, hedges, live fences, wind barriers, and agroforestry, which will improve connectivity between forest remnants in production landscapes and high-conservation-value forests (HCVF). The project will also use GEF resources to provide technical assistance for the implementation and monitoring of the LMTs. The labor costs will be covered by the beneficiaries. LMTs may also benefit from forest incentives (PINPEP and PROBOSQUE); the amount of resources to be allocated will depend on demand) Beneficiaries of the LMTs will be producers of palm oil, coffee, and other food production systems (including youth groups, women and/or indigenous peoples). The implementation of LMTs will include establishing conservation and best production practices agreements with producers, including those most affected by the COVID-19 pandemic. This will include identifying the local stakeholders with the potential for participating in the implementation of the LMTs, the signing of the agreements, and the development of implementation plans for the LMTs; at least fifteen (15)

voluntary agreements to implement the LMTs will be established. In addition, the project will establish 10 municipal, community (including women groups), and private nurseries that will provide the necessary planting materials of the implementation of the LMTs. An assessment will be conducted of the existing nurseries in the prioritized landscape (e.g., municipalities, communal, or private) and their locations with respect to the prioritized areas, including an evaluation of the capacity to supply the necessary native plant materials to implement the LMTs (on average 10,000 seedlings of native species per nursery). Agreements will be established with municipalities and community groups to strengthen nurseries and their commitment to the project to provide native plant materials and plans for improvement of nurseries will be defined. In addition, guides for producers will be developed so that they can access native plant material for LMT implementation and restoration.

58. At least fifty (50) farm management plans will be developed to access PINPEP and PROBOSQUE incentives (Output 3.1.2), which will provide the needed financial resources for restoration activities through LMTs. An agreement between INAB, CONAP and the Project Management Unit will be established to prioritize forest incentive resources for the prioritized landscape within the MRW. Following this, an analysis, stakeholder map (including local stakeholders most impacted by COVID-19), and a strategy for promoting forest incentives will be developed. Forest incentives will be promoted in priority sites where LMTs are to be implemented. Technical support will then be provided to the project partners (producers, including indigenous peoples and women) to develop gender and multiculturally sensitive national forest management plans, either for production or for conservation and restoration, as well as for putting together the required documentation to request the forest incentives and their presentation to the INAB. Once the forest management plans have been approved, technical support will be provided for implementing the management plans in the field. In addition other economic and market mechanisms will be identified that serve as additional incentives for producers, which may include certification such as Bird Friendly, Women's Seal, and HCV. Beneficiaries from the mobilization of financial resources will only include small coffee farmers, cattle ranchers, and subsistence farmers. The project will not benefit palm oil producers from the mobilization of financial resources. Although the selection of beneficiaries will only be done during project implementation and the final criteria will also be defined during project implementation, beneficiaries will include those producers who are willing to be part of voluntary conservation and/or restoration and best production practices agreements. The project will focus on working with small producers with non-sustainable production practices and most affected by COVID-19, 40% of which will be women. In addition, the selection of beneficiaries will be tied to the final selection of specific project sites within the project landscape where there are better opportunities to enhance ecosystem connectivity and restore degraded lands and based on the assessment conducted as part the PPG that prioritized six areas of connectivity. To make sure to promote sustainable finance in production and market, the project will make use of existing financial mechanisms that have proved to be successful and sustainable such as the forest-based PINPEP (PINPEP Law, 2010) and PROBOSQUE (PROBOSQUE Law, 2015) incentives mechanisms administered by the INAB. Since 1996 when the Forest Act (Decree 101-96) was approved, forest incentive programs in Guatemala have contributed to the management and conservation of more than 436,000 ha of natural forest areas, and to the restoration of over 166,000 of forested lands through forest plantations and agroforestry systems representing a public investment of more than $290 million. Economically, these projects have created community employment and improved the economy for more than 900,000 people. They have also contributed to the provision of timber products and ecosystem services such as water regulation, biological connectivity, and reduced greenhouse gas emissions, among others. Accordingly, the project will make use of these incentives that are sometimes underutilized and not well known among the rural communities that are supposed to benefit.

59. The conservation of natural habitats will also include the implementation of a monitoring, control and surveillance, and conflict prevention, management and transformation program (Output 3.1.3) to mitigate progress of the agriculture frontier towards protected areas and facilitate the conservation of endangered and threatened species, and of guidelines to reduce threats to biodiversity, freshwater systems, and soils in production landscapes, including pollution from chemicals and waste released to the environment by palm oil and coffee production activities, and from other food systems. This program will synchronize its actions with the actions that have already

been developed in the area by CONAP, MARN, and INAB (public sector) or FUNDAECO and Defensores de la Naturaleza (civil society). The project will support monitoring, control, and surveillance activities such as patrolling and the prevention and control of forest fires (in coordination with the National Coordination for Disaster Reduction [CONRED]), wildlife trafficking (in coordination with CONAP), as well as actions for prevention and transformation of conflicts. The latter implies strengthening already existing mechanisms (e.g., roundtables, Departmental Environment Councils [CODEMA], etc.), as well as creating new mechanisms as necessary. In parallel, the GIMBUT will be strengthened to increase the frequency of forest mapping in the region (Output 2.2.4).

60. Guidelines will be developed to reduce threats to biodiversity, freshwater systems, and soils in production landscapes (Output 3.1.4). Participatory workshops will be held at the local level with the participation of women and other vulnerable groups and in coordination with the Municipal Offices for Women, to identify the main threats to biodiversity (including the increase in wildlife trafficking from the project landscape as a result of the COVID-19 pandemic), freshwater systems, and soils in production landscapes in the project area, as well as to define guidelines for their reduction. The information related to the threats identified will be systematized and will serve as the basis for drafting documents in coordination with environmental authorities (MARN, CONAP, INAB, and municipal environment/forest offices) that contain threat reduction guidelines and mitigation measures for the food production systems in the project area. With regard to palm oil, these guidelines will focus mainly on issues that promote structural connectivity, restoration of riparian ecosystems, management of agrochemicals, social investments, and adaptation to climate change. For coffee, the focus will be on the use and management of agrochemicals, treatment of residual water, and use of shade with native species. In terms of cattle ranching, guidelines will emphasize sustainable grazing practices, food supplements, silvopastoral systems, and water management. Finally, a pilot experience or case study will be developed in which the defined guidelines will be implemented, including an evaluation of their implementation effectiveness.

61. A compensation for water services scheme will be piloted in the project landscape (Output 3.1.5). A participatory technical study will be carried out to determine the supply of water related ecosystem services that benefit municipalities and food production systems in the prioritized project landscape, including a detailed analysis of the water balance and the demand for water by producers. Subsequently, a characterization of the water-related ecosystem services will be developed and their potential to develop compensation schemes will be assessed, including the selection of the area for piloting the compensation scheme focusing on prioritized sites (e.g., Sierra Caral, Monta?a Chiclera, Las Granadillas or Sierra de las Minas). The design of the pilot scheme for the compensation for water ecosystem services will be defined during project implementation, including the description of the ecosystem services provide, willingness to compensate, and definition of the payment or compensation mechanism; building of agreements; agreements and commitments between suppliers and users of the ecosystem service (i.e., commercial, production, and household users); and definition of a critical path for the compensation process. After this, the implementation process will be developed that includes the development of a protocol for managing, following-up, and monitoring of the compensation mechanisms, as well as a management plan for the natural resources associated with the ecosystem service to be compensated. The STAP guide for the design of payment schemes for environmental services (*Payments for Environmental Services and the Global Environment Facility: A STAP advisory document, 2010*) will be considered for the design of the compensation mechanism for water ecosystem services, as well similar experiences developed in the country, including the compensation schemes proposed as part of the GEF-UNDP project *Sustainable and resilient landscapes in the central volcanic chain* (GEF Project ID 9059); based on the experience under this project, the design phase may take between one and two years.

62. Finally, the project will develop a conceptual framework related to ecosystem services and potential compensation schemes (Output 3.1.6), which implies the development of inter-institutional coordination processes between CONAP, MARN, MAGA and INAB, as well as the review of national and international experiences in the field of compensation for ecosystem services. More specifically, the project will develop a technical tool (e.g., guide, protocol, or manual), which could be the basis (once the project is completed) for the development of a related public policy. The

ecosystem service or services on which the tool will focus will be defined during this conceptual stage, although water ecosystem services (protection of waterbeds, recharge of aquifers, access to drinking water from the sources, and production of hydroelectricity) can already be mentioned, as well as carbon sequestration and ecotourism activities, among others. The tool for the ecosystem services compensation scheme will be drafted, reviewed, and approved by key stakeholders through participatory workshops. Finally, the compensation scheme tool will be socialized through workshops and disseminated materials (publications, posters, tri-folds, etc.).

63. Beneficiaries of this project component are producers participating in voluntary conservation and/or restoration and best production practices agreements through include: a) palm oil producers (Agrocaribe/AgroAmerica and independent producers); b) cooperatives or associations of coffee growers (currently there are around 20 organized groups of coffee growers, including cooperatives, associations, and Friendship and Work Groups, which represent 570 producers); and c) secondary support to other types of producers (e.g., cattle ranchers through the Cattle Ranchers Associations of Izabal and Zacapa that includes 350 associates, among small, medium, and large producers).

64. Project Component 4 will generate a set of knowledge management (KM) products around the experiences of promoting deforestation free commodities, sustainable food crops, and restoration across landscapes. This will be achieved through an information and knowledge exchange platform at the national level that will increase awareness about mainstreaming biodiversity in production landscapes, SLM, climate change mitigation, sustainable production, and gender aspects (Output 4.1.1). Experiences and best practices will be shared among multiple stakeholders nationally and in other watersheds of the country, considering different mechanisms for information dissemination and language barriers of producers and indigenous peoples. The national information exchange platform will be coordinated by MARN with support from key institutions form the public and private sectors. A campaign will be carried out to publicize the platform and a user guide will be developed to access it and exchange information. In addition, periodic newsletters will be disseminated through email and social media (Facebook, Twitter, Instagram, WhatsApp, etc.) to inform registered users of new information available. The national platform for information exchange will collaborate with the FOLUR Global Platform team to give its registered participants the opportunity to become member-practitioners of the global Green Commodities Community.

65. A south-south cooperation program to exchange knowledge about supply chain best practices and market opportunities for sustainable food systems will also be will be established principally through interaction of the project with the FOLUR Global Platform, which groups together the other countries participating in the program. (Output 4.1.2). There will be exchanges with other FOLUR projects sharing similar situations and working with the same commodities (e.g., coffee: Indonesia, Ethiopia, Peru, and Mexico; palm oil: Indonesia, Malaysia, Papua New Guinea, and Liberia). To take advantage of the high-level technical support and advisory services to be provided to the participating countries by the FOLUR Global Platform, the project will make use of its technical assistance and capacity building services to apply FOLUR-related interventions in the project landscapes and coffee and palm oil value chains, and to strengthen landscape management and food/commodity production systems and train national and local stakeholders, including small and medium coffee and subsistence farmers. In addition, the project will make use of the FOLUR Global Platform as a forum for corporate dialogue and engagement, including support for dialogue on sustainability commitments from multinational companies (e.g., Agrocaribe/AgroAmerica and Exportcaf?/ECOM) and the operationalization of these commitments through standards and practices at the production level; and participation in regional gatherings of countries around sustainable palm oil and coffee production, and ILM to showcase success stories to encourage replication of good practices. Also, the project will collaborate with FOLUR Global Platform to develop lessons and evidence from sustainable production practices of coffee and palm oil on the ground in Guatemala and contribute these to global fora and public-private sector dialogues. The project may also request assistance to engage with global market stakeholders, in the implementation of the marketing strategy for coffee from the project landscape and for other food production systems (e.g., cattle ranching) for which the project will provide secondary support. For on-going exchange and cooperation, the project will become a member of the UNDP Green Commodities Programme. The project will also share

information with other countries in the region, which although they are not part of FOLUR, are implementing similar initiatives in production landscapes to generate global environmental benefits related to biodiversity conservation, SLM, and climate change mitigation. These include countries in the region such as Belize, Costa Rica, and Honduras, who are also implementing projects with support from GEF around these issues.

66. The Project will contribute to learning lessons for wider replication, leveraging and disseminating FOLUR IP actions and results through respective country and other platforms and knowledge networks to scale up, mainstream, and incentivize improved practices for better landscape level outcomes and greener commodity supply chains (Output 4.1.3). As a complement to the quantitative reporting, the Project will document success stories, and provide other input as contributions to the FOLUR IP annual overview progress report. The success stories of the project will be published at the international platform PANORAMA Solution for Healthy Planet. Although international platforms and roundtables are not very present in Guatemala, UNDP maintains relationships with all of them at the global level and will broker contacts and relationships, as needed throughout the project?s lifetime in close collaboration with eh FOLUR IP Global Platform.

67. This component will also include the implementation of a participatory monitoring system to assess the project?s environmental benefits with multiple culturally adapted and gender sensitive tools, including the training of local stakeholders, women?s groups, in environmental monitoring methodologies and the use of tools. A participatory monitoring system to assess the project?s environmental benefits will be implemented (Output 4.2.1), which will include a landscape monitoring program using the LandScale tool, the Sustainability Index for Landscape Restoration, and the Participatory Landscape Forest Assessment Tool; more specifically, these tools will be used to assess the impact of restoration and sustainable production actions. In addition, a monitoring program of key species in forests, production landscapes, and restoration areas will allow to further assessing the global environmental benefits to be delivered by the project. Monitoring of the key species will be carried out in a participatory manner, including environmental institutions of civil society (e.g., Panthera Guatemala, Zootropic, FUNDAECO, Defensores de la Naturaleza, Solidaridad, ARNPG, etc.), the public sector (CONAP), municipalities, researchers from national universities (e.g., Universidad de San Carlos de Guatemala and Universidad del Valle), and local communities. The participatory system for monitoring the project?s global environmental benefits will include developing an *ex-ante* and *ex-post* piloting of the IUCN STAR methodology, which is related to the contribution of the project?s investments towards reducing the risk of extinction of selected species. The species monitoring activities and the STAR methodology is linked with the FOLUR Objective 3 Promoting restoration of degraded landscapes for sustainable production and to maintain ecosystem services; to estimate the return on investments in restoration the project will use IUCN?s methodology, which uses a biodiversity metric (i.e., STAR). More specifically the STAR methodology allows quantifying the potential for reducing the risk of species extinction and identifying opportunities and guiding conservation and restoration actions. In addition, STAR identifies the potential of different areas to contribute to the conservation of threatened species either through: a) the elimination of all threats to the species in their habitat; and / or b) restoring the habitat they have lost. In addition, carbon balance assessment tools (e.g., FAO?s Ex-Ante Carbon-balance Tool [EX-ACT]) will be used to periodically asses the project?s benefits related to the reduction of GHG emissions associated with production that is free from deforestation and carbon absorption through implementation of LMTs (Output 3.1.1). Monitoring of reduced GHG emissions associated with production that is free from deforestation will be performed based on information obtained through the spatial verification system of land use change for food production systems (Output 2.2.4) and field data collected related to the implementation of LMTs. A training plan focused on local stakeholders (community, municipal, governmental, producers, etc.), including women?s groups and indigenous peoples, will be implemented to facilitate participatory monitoring of the project?s environmental benefits.

68. Finally, this component will allow the implementation of a project gender mainstreaming plan, a comprehensive stakeholder participation plan, and indigenous peoples plan (IPP) based on an indigenous peoples plan framework (IPPF) developed during the PPG, and project?s M&E plan (Output 4.2.2.), including the development of a manual on mainstreaming gender in sustainable food

production systems. Implementation of the project will be launched through a project inception workshop in which the members of the project?s Technical Support Committee (e.g., MARN, MAGA, CONAP, INAB and Segepl?n) and the key stakeholders identified will participate. Local inclusive committees will be formed, one in each department of the project, to strengthen local governance mechanisms in the project landscape and to take action and evaluate and monitor the progress of the project in a participatory manner. The M&E plan will also be used to support adaptive management so that it may integrate the experiences resulting from implementation of activities into the annual project programming.

Theory of Change

69. The components of the Child project are designed as key interventions at the center of the Theory of Change (TOC; Figure 4). In the TOC, the Child project components are shown at the center, with downward links showing how these strategies address the underlying drivers and barriers, while upward links show how the strategies contribute to producing key outputs that lead to desired outcomes. Activities needed to promote integrated landscape management (Component 1) are specifically tailored to address drivers of forest loss and environmental degradation that stem from lack of interinstitutional coordination, weak sharing of information, and weak participatory governance and planning at the local level. Activities related to promoting sustainable food production practices and responsible value chains (Component 2) seek to address drivers related to the expansion of palm oil, coffee, and cattle ranching, poor production practices, and limited socio-environmental responsibility that result from limited access to economic and market incentives for sustainable production, and limited knowledge and capacity to adopt and monitor sustainable production practices. Activities for the conservation and restoration of natural habitats. (Component 3) are directed to address drivers of the loss of forest connectivity and ecosystem services provide demonstration and that could be addressed if producers had better access to incentives that would allow them to restore degraded ecologically sensitive areas, and the necessary knowledge to develop management plans at the farm level for implementing conservation and restoration practices. Activities for knowledge and project management (Component 4) are aimed at addressing limited participation of the private sector in global platforms to exchange solutions and good practices, and for establishing synergy with the FOLUR IP Global Platform to exchange knowledge that can be scaled-up to impact the broader food production system.

70. These actions and investments will be aimed at enhancing interinstitutional and intersectoral agreements for implementing ILM systems; developing mechanisms to share information regarding environmental conservation in production landscapes and the management of conflicts; developing and/or updating local land use and watershed plans to include ILM objectives; providing technical support, and facilitating access to financial mechanisms and markets to promote sustainable value chains (coffee, palm oil, and other food systems); implementing LMTs and making use of national forest and other incentives for the restoration of degraded forest and agricultural lands; developing guidelines to reduce environmental degradation; and piloting experiences for compensation for water ecosystem services and forest conservation. The exchange of solutions and good practices that will result from these will be achieved through a national information management platform, a south-south cooperation program, and coordination and exchanges with the FOLUR IP Global Platform.

71. These outputs will then lead to desired outcomes, including improving the capacity of the public and private sectors to coordinate actions, exchange information, and promote sustainable food production systems and the restoration of degraded lands; improving the socio-environmental performance of existing platforms (restoration, coffee, palm oil, and other food systems); strengthening of local planning processes for implementing ILM systems; promoting sustainable food production practices and responsible value chains with zero deforestation; and facilitating access to forest and other incentives for the restoration of degraded ecosystems and agricultural lands while delivering measurable environmental benefits.

72. These outcomes will advance more sustainable landscapes and efficient food value/supply chains in the MRW, including ILM systems, deforestation free and sustainable value chains (coffee, palm oil and other food production systems), and landscape-scale restoration for

sustainable production and biodiversity and ecosystem services conservation. These, in turn, will produce GEBs including: a) 25,000 ha of land restored; b) 22,179.31 ha of landscapes under improved practices; c) 6,403,578 tCO_2-eq mitigated in 20 years; d) Improved quality of habitat for biodiversity; and e) 12,966 people (40% women; 60% men) with direct project benefits.

The TOC has been elaborated in line with the FOLUR IP and based on the GEF-7 Replenishment Programming Directions. The Child project will also contribute to achieve the following Sustainable Development Goals (SDGs) in Guatemala: 2 (zero hunger), 5 (gender equality), 12 (responsible consumption and production), 13 (climate action), 15 (life on land), and 17 (partnerships for the goals).

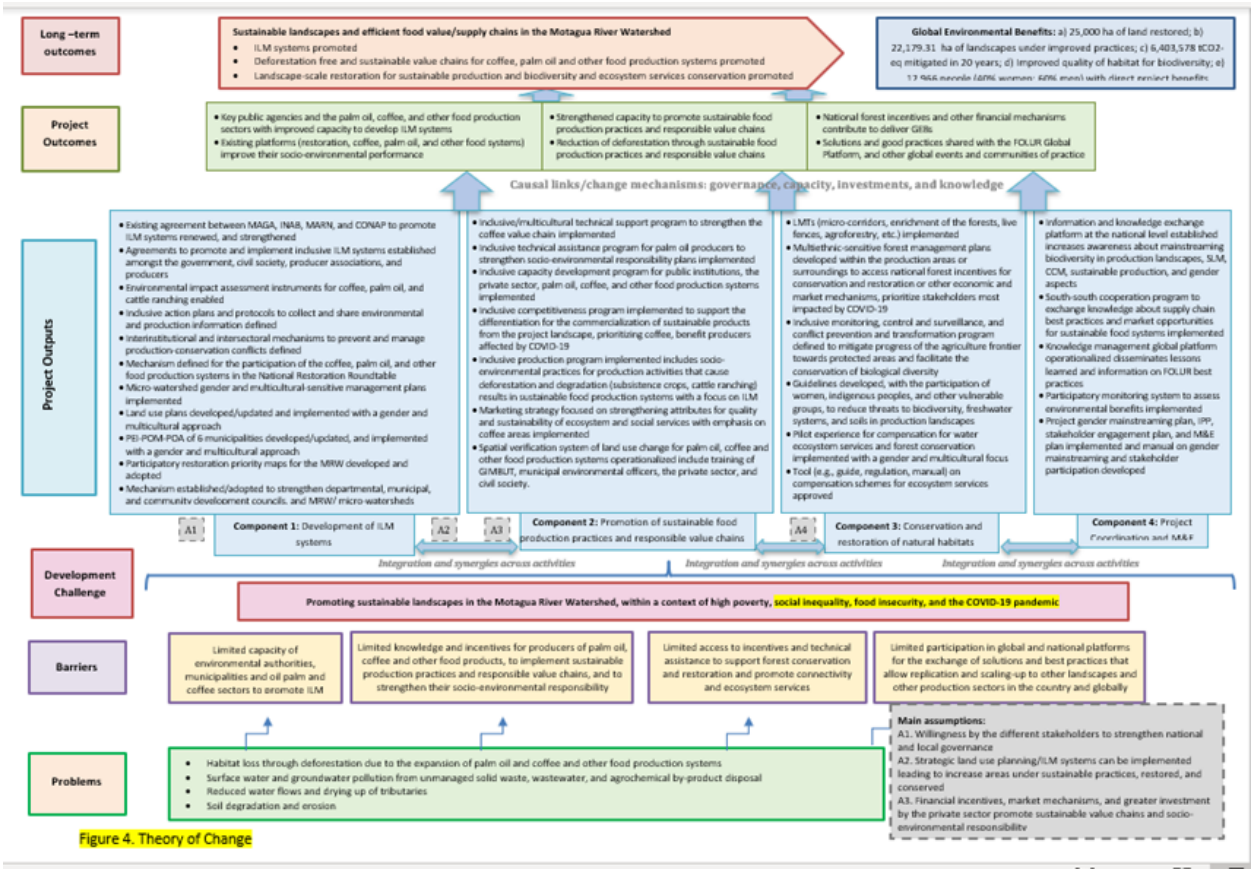


Figure 4. Theory of Change

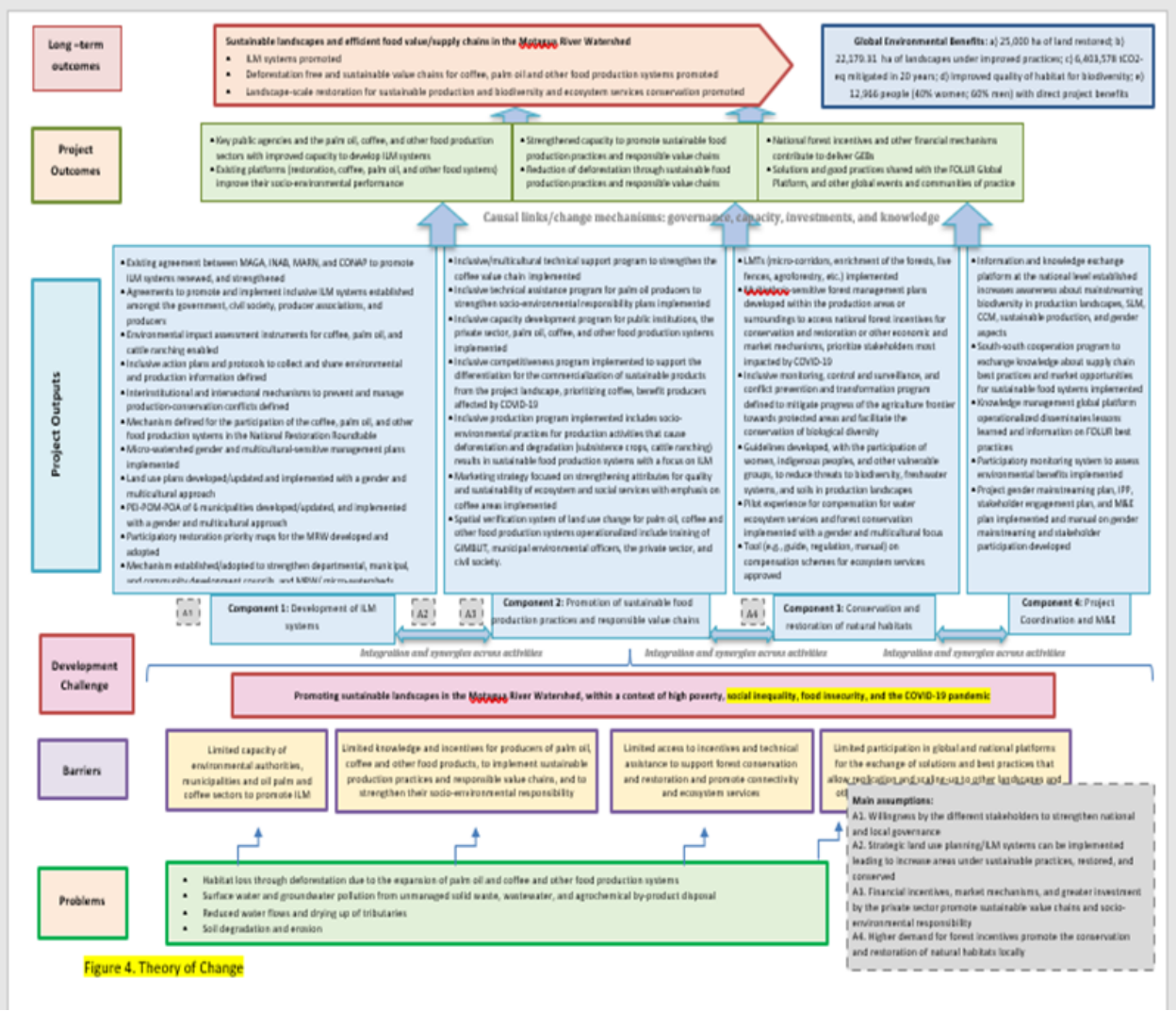


Figure 4. Theory of Change

74. A more detailed description of the project components is provided in Section V: Results and Partnerships of the UNDP-GEF Project Document. In addition, some changes were made to the project?s outputs, which do not represent a departure from the project?s strategy as defined originally in the Child Project Concept nor will they have an impact on the funds originally budgeted. These changes are described as follows:

Child Project Concept Outcomes/Outputs (Component 1)	CEO Endorsement Outcomes/Outputs (Component 1)
Output 1.1. Existing agreement between MAGA, MARN, and CONAP to promote ILM systems is renewed and strengthened by adding MINECO and a gender-sensitive technical group on Food Systems, Land Use and Restoration (FOLUR).	Output 1.1.1. Existing agreement between MAGA, MARN, and CONAP to promote ILM systems is renewed and strengthened and includes a technical group on FOLUR for interinstitutional collaboration. This output was reworded to indicate that the agreements will promote interinstitutional collaboration.

Output 1.2. Two (2) agreements amongst the government, civil society (including women groups) and producer associations of palm oil (GREPALMA) and coffee (Anacaf?) established that include collaboration on the collection and sharing of environmental and production information.	Output 1.1.2 At least three (3) agreements to promote and implement inclusive ILM systems established amongst the government, civil society (including women groups, indigenous peoples, the youth, academia, and others), producer associations of palm oil, coffee, other food production systems, and producers. This output was updated to indicate that there will be three (3) agreements to promote and implement inclusive ILM systems rather than two (2) agreements, and the type of stakeholders that may participate in the agreements.
N/A	Output 1.1.3. Three hundred (300) environmental assessment instruments for coffee, palm oil, and cattle ranching production units as stated in the MARN?s Sectoral Environmental Guides enabled. This output was originally included in the Child Project concept as part of Component 3. It has been moved to Component 1 because it is more related to the development of mechanism-defining guidelines for promoting sustainable food production and the restoration of degraded lands. In addition, it was updated to indicate that the project will develop environmental assessment instruments for coffee, palm oil, and cattle ranching, which are the mechanisms through which the MARN?s Sectoral Environmental Guides can be implemented once they have been defined. The environmental assessment instrument is a document that contains a description of the technical aspects of a proposed investment to ensure that a project, work, industry or activity is done in line with the legal, technical, and environmental regulations in order to prevent, correct or mitigate impacts or minimize environmental risks
Output 1.3. Two action and monitoring plans for implementation of the agreements on sustainable production of palm oil, coffee and conservation of High Conservation Value Forest (HCVF) developed with women participation.	Output 1.2.1. Inclusive action plans defined include protocols to collect and share environmental and production information, and enhance socio-environmental performance. This output was reworded to include protocols to collect and share environmental and production information, and enhance socio-environmental performance of producers.
Output 1.4. Mechanism for the prevention and resolution of conflicts regarding production systems and conservation in line with the agreements and action plans.	Output 1.2.2. Interinstitutional and intersectoral collaboration protocol for the prevention and management of production-conservation conflicts defined. This output was reworded to emphasize interinstitutional and intersectoral collaboration.

N/A	Output 1.2.3. Mechanism defined for the participation of the coffee and palm oil sectors and other food production systems in the National Restoration Roundtable for the Forest Landscape. This output was added to ensure that the private sector will participate in the National Restoration Roundtable for the Forest Landscape, as part of the actions for improving the socio-environmental performance of existing private sector platforms and producers (e.g., GREPALMA, Anacaf?, FEDECOCAGUA, Agrocaribe/AgroAmerica, Cattle Ranchers Associations of Izabal and Zacapa, AGEXPORT, and CAMAGRO).
Output 1.5. Five (5) micro-watershed gender-sensitive management plans harmonize the conservation of natural resources with palm oil, coffee production and other food production systems	Output 1.3.1. Five (5) micro-watershed management plans that are multicultural and gender-sensitive developed and implemented. This output was updated to indicate that the micro-watershed management plans that are to be developed and implemented by the project will be multiculturally sensitive.
Output 1.6. Gender-sensitive Municipal Development and Land Use Plans (PDM-OT) developed or updated include: a) objectives for biodiversity conservation, reduction of land degradation, CCM, efficient food supply chains (including palm oil and coffee), and restoration of degraded areas; and b) guidelines for the MRW management plan and landscape conservation strategies.	Output 1.3.2. Gender- and multiculturally sensitive PDM-OTs and their regulatory proposals developed, updated, and/or implemented. This output was updated to indicate that the PDM-OT and their regulatory proposals that will be developed/updated and implemented by the project will also be multiculturally sensitive. Reference to objectives for biodiversity conservation, reduction of land degradation, CCM, efficient food supply chains (including palm oil and coffee), and restoration of degraded areas; and guidelines for the MRW management plan and landscape conservation strategies, was removed and are now included as the part of the description of activities.
Output 1.7. Institutional Strategic Plan, Multiannual Work Plan, and Annual Work Plan (PEI-POM-POA) of 6 municipalities are developed or updated with the participation of women to prioritize investments in sustainable food systems, the restoration of degraded ecosystems, and the reduction of deforestation to ensure a sustainable supply of water.	Output 1.3.3. Municipal investment plans (PEI-POM-POA) of six municipalities developed or updated, and implemented with a gender and multicultural approach. This output was updated to indicate that the PEI-POM-POA and their regulatory proposals that will be developed/updated and implemented by the project will also be multiculturally sensitive.

Output 1.8. Restoration priority maps for the MRW developed with women participation in line with the National Forest Landscape Restoration Strategy and with information from the current 2016 forest cover and land use change map developed by INAB and the 2018 Analysis of Restoration Opportunities.	Output 1.3.4. Participatory restoration priority maps for the MRW developed with key stakeholders, including women and indigenous peoples. This output was updated to indicate that the restoration priority maps for the MRW will be developed in a participatory manner and will include the participation of indigenous peoples. Details in the wording of the output were removed and are now included as the part of the description of activities.
Output 1.9. A gender-sensitive mechanism established for strengthening: a) departmental (CODEDE), municipal (COMUDE), and community (COCODE) development councils; and b) governance associations of the MRW and micro-watersheds.	Output 1.3.5. A gender- and multiculturally sensitive mechanism established and adopted for the operational strengthening of departmental, municipal and community development councils, and governance associations of the MRW and micro-watersheds. This output was updated to indicate that the strengthening of local governance for implementing ILM systems will also be multiculturally sensitive.
Child Project Concept Outcomes/Outputs (Component 2)	CEO Endorsement Outcomes/Outputs (Component 2)

Output 2.1. Program of technical assistance for producers to access financial resources include the following activities: a) developing gender-sensitive palm oil and coffee farm management plans for the adoption of agroforestry systems and High Conservation Value (HCV) certification, and the identification of go/no go zones; b) supporting farmers with requests for finance from the national coffee trust fund and low interest loans from financial institutions for sustainable food practices; and c) developing a socio-environmental business model for deforestation free, gender-sensitive and water-friendly value chains of palm oil, coffee, and other food systems conducive to environmental certification (e.g., HCV and Roundtable on Sustainable Palm Oil [RSPO]).	Output 2.1.1. Inclusive and multicultural integral technical support program to strengthen the coffee value chain implemented. The original output in the Child Project concept was divided into two outputs (see below) as different approaches will be undertaken to provide technical assistance to coffee and palm oil production. Producers of this two commodities within the project landscape present very different levels of organization and need. In the case of coffee producers, there are approximately 3,500 small- and medium-scale producers covering more than 8,500 hectares (ha) of cultivation. Currently, these men and women have specific needs related to farming, which range from improving quality and increasing coffee production, the implementation of best agricultural and environmental practices, to diversification with different sustainable food production systems. Most of the farmers within the project landscape are not organized, and they sell their ripe coffee cherries to processors who then sell parchment or green coffee to national exporters or international buyers. In addition, because many of the coffee producers are poor, they are among the population that are most vulnerable to the impacts of the COVID-19 pandemic. Accordingly, the technical assistance that the project will provide to coffee growers will focus on overcoming these needs and limitations in order for them to be part of a sustainable production system. In the case of palm oil producers, there a only eight large-scale producers within the project landscape, covering 16,879 ha of cultivation, which are already certified under standards such as the RSPO and Rainforest Alliance. These standards promote sustainable food production systems, including that of Agrocaribe/AgroAmerica, the main palm oil producer in the project area with 12,181 ha. The majority of the producers in the area have carried out studies demonstrating that they are free from deforestation as well as their implementation of best agricultural, environmental, and social practices. Agrocaribe/AgroAmerica is recognized internationally as a business that is differentiated by its best practices and leadership in sustainability and is the first business in the world to have been certified by the Rainforest Alliance, and the first in Central America certified under the RSPO standard. However, there is an opportunity to strengthen the socio-environmental responsibility plans of palm oil producers that promote new sustainable food production systems in the direct areas of influence of the palm oil plantations, including the dissemination of knowledge and lessons learned by the private sector and to promote sustainable production in the area among other stakeholders who can replicate these best agricultural and environmental practices. Accordingly, the project will focus on working with the palm oil producers (e.g.,

	Output 2.1.2. Inclusive technical assistance program for palm oil producers (e.g., Agrocaribe/AgroAmerica) to strengthen socio-environmental responsibility plans implemented. Please refer to Output 2.1.1.
Output 2.2. Gender-sensitive capacity development program for public institutions, the private sector, palm oil, coffee, and agroforestry producers, and secondary support to producers of maize, beans and banana/plantain, focused on: a) mainstreaming biodiversity, SLM and CCM in landscape planning (PDM-OT and watershed/micro-watershed management plans); b) designing and implementing environmental guides of good practices (MARN) for palm oil, and secondary support to banana/plantain, and livestock; c) implementing actions on the ground for conservation (connectivity and habitat protection), restoration, deforestation-free practices, control and monitoring; and d) marketing of sustainable products.	Output 2.1.3. Inclusive capacity development program for public institutions, the private sector, palm oil, coffee, and agroforestry producers, and secondary support to other food production systems for small-scale producers and medium-scale cattle ranchers implemented. This output was updated to include the wider range of stakeholders that will benefit from the capacity development program to be implemented by the project. Capacity building for the marketing of sustainable products (i.e., coffee) will be achieved through Output 2.2.2. In the case of palm oil, almost all the production from the project landscape that is certified (e.g., RSPO) has already established markets in Europe. As such, the project will not include marketing-related activities for this commodity. Details in the wording of the output were removed and are now included as the part of the description of activities.
Output 2.3. X commercial agreements established between national and international buyers of coffee (e.g., Nestl?, Tim Horton, Starbucks) and palm oil (e.g., Agrocaribe/AgroAmerica, La Francia, Unilever, Nestl?, Cargill) and national producers, including women, for the development of sustainable value chains in the prioritized landscape of the MRW.	2.2.1. Inclusive competitiveness program prioritizing coffee implemented with a gender and multicultural focus, and that considers environmental quality and attributes such as no-deforestation and biodiversity conservation, and the most affected producers by COVID-19. This output was updated to indicate that the project will only work to promote the commercialization of coffee as part of an inclusive competitiveness program that will include the identification of differentiating elements, placing priority on the quality of the coffee, which will include pre-harvest and post-harvest management activities and environmental attributes such classification as a deforestation-free agroforestry system. This will also include consultation and research to determine market requirements, such as requirements for certification (e.g., Rainforest Alliance, Fair Trade, and others) and buyer and exporter requirements such as those of Exportcaf? (a subsidiary of ECOM Trading), which is within the project landscape, and Starbucks. Secondary support will be provided to other food production systems if the producers have consolidated value chains and access to markets is needed to be part of the competitiveness program.

Output 2.4. Marketing model for ?coffee of origin? label grown in the MRW developed.	Output 2.2.2. Marketing strategy for coffee and secondary support for other crops implemented focusing on strengthening attributes for quality and sustainability of ecosystem and social services. This output was updated to indicate that the marketing strategy for coffee will not be limited to a label of ?coffee of origin? but rather a wider strategy through participation in national and international marketing events such as national tastings events and defining a ?cup profile? from a representative sample so that buyers and consumers become aware of the attributes of the coffee grown in the project area. Participation will also take place in international fairs within the framework of Guatemalan Coffees, a national coffee brand that the Guatemalan National Coffee Association (Anacaf?) has positioned to promote Guatemalan coffee. In the case of products from other food production systems, an analysis will be performed to determine which product has the maturity to make use of a marketing strategy that will be developed during project implementation.
N/A	Output 2.2.3. Inclusive production program implemented includes best socio-environmental practices for the main production activities identified as causing deforestation and environmental degradation, subsistence crops and cattle ranching. This output was included to address deforestation caused by cattle ranching and subsistence crops. The goal of the program will be to establish sustainable food production systems within the framework of ILM, considering other specific needs for implementation such as the mobilization of financial resources. Support will be provided to cattle ranchers to implement best environmental practices based on the National strategy for sustainable, low-emissions cattle farming. The adoption of agroforestry systems will be promoted to enhance ecosystem connectivity, promote diversification, and implement high-protein-value crops that consider traditional knowledge, and family farms and food gardens for food security.

Output 2.5. Spatial verification system of land use change for palm oil and coffee production units includes training of GIMBUT and municipal environmental officers, including women.	Output 2.2.4. Spatial verification system of land use change for palm oil, coffee, maize, beans, and other food production systems (e.g., cattle ranching) operationalized includes training of GIMBUT and municipal environmental officers, the private sector, and civil society. This output was updated to indicate all the production food systems that will be monitored and to indicate a wider range of stakeholders who will be trained in the use of the spatial verification system for land use change.
Child Project Concept Outcomes/Outputs (Component 3)	CEO Endorsement Outcomes/Outputs (Component 3)
Output 3.1. Landscape Management Tools (LMTs), which include micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, and agroforestry promote: a) X voluntary conservation and best production practices agreements signed with the producers of palm oil and coffee; and b) 10 municipal, community (including women groups), and private nurseries providing 10,000 seedlings each to be used with the LMTs in areas of connectivity between forest remnants in production landscapes and HCVF in accordance with INAB?s guidelines.	Output 3.1.1. Landscape management tools (micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, agroforestry, and home gardens) implemented for the restoration of degraded ecosystem and agricultural lands. This output was updated to indicate that restoration will be achieved through the implementation of landscape management tools. Details in the wording of the output were removed and are now included as the part of the description of activities.
Output 3.2. At least fifty (50) gender-sensitive farm management plans developed to access PINPEP and PROBOSQUE incentives for conservation and restoration.	Output 3.1.2. At least fifty (50) gender- and multiculturally sensitive forest management plans developed to access national forest incentives for conservation and restoration or other economic and market mechanisms and prioritizing local stakeholders most impacted by COVID-19. This output was updated to indicate that forest management plans will be developed as part of the requirements to access national forest incentives such as PINPEP and PROBOSQUE. In addition, other incentives will be made available such as Bird Friendly, Women's Seal, and High Conservation Value (HCV). Beneficiaries will include indigenous peoples and local stakeholders who are interested in access to forest incentives and who were most impacted by the COVID-19 pandemic.
Output 3.3. Monitoring, control and surveillance, and conflict resolution program defined to mitigate progress of the agriculture frontier towards protected areas and facilitate the conservation of endangered and threatened species such as jaguar and *Heloderma charlesbogerti*.	Output 3.1.3. Inclusive monitoring, control, and surveillance, and conflict prevention and transformation program defined. This output was updated to indicate that the monitoring, control, and surveillance and conflict resolution program will be inclusive (with the participation of multiple stakeholders).

Output 3.4. Guidelines developed, with the participation of women, to reduce threats to biodiversity, freshwater systems, and soils in production landscapes, including the reduction and/or avoidance of chemicals and waste related to palm oil, coffee and other food systems.	Output 3.1.4. Guidelines developed, with the participation of women, indigenous peoples, and other vulnerable groups, to reduce threats to biodiversity, freshwater systems, and soils in production landscapes. This output was updated to indicate that the stakeholders participating will also include indigenous peoples and other vulnerable groups.
Output 3.5. Compensation manual for MARN?s environmental guides developed to facilitate restoration and conservation of degraded ecosystems.	This output was moved to Component 1 (please refer to Output 1.1.3 above).
Output 3.6. Pilot for payment for water services in Sierra Caral contributes to forest conservation implemented with women participation.	Output 3.1.5. Pilot scheme for the compensation for water ecosystem services implemented with a gender and multicultural focus contributes to forest conservation. This output was updated to indicate that the site where the PES pilot scheme will be implemented with a gender and multicultural focus.
N/A	Output 3.1.6. Tool (e.g., guide, regulation, manual) for compensation schemes for ecosystem services approved by key public institutions in the environmental sector. This output was added as there is a need to develop a conceptual framework related to ecosystem services and potential compensation schemes that will allow inter-institutional coordination for implementation at the national level (i.e., CONAP, MARN, MAGA, and INAB). The tool that will be developed will be technical in nature (e.g., guide, protocol, or manual) and will be tested through the project and could become the basis for the development of a related public policy, once the project is completed.
Child Project Concept Outcomes/Outputs (Component 4)	CEO Endorsement Outcomes/Outputs (Component 4)
N/A	Output 4.1.3. Knowledge management global platform operationalized disseminates lessons learned and information on FOLUR best practices. This output was added to ensure effective coordination with the FOLUR Global Platform to share solutions and best practices.

Output 4.3. Participatory monitoring system to assess the project?s environmental benefits, includes: a) Piloting of the IUCN methodology for using biodiversity key species as a measure of the return on investment in the restoration of degraded areas; b) carbon balance assessment tools (e.g., FAO?s Ex-Ante Carbon-balance Tool [EX-ACT]); and c) training of local stakeholders, including women?s groups, in environmental monitoring methodologies and the use of tools.	Output 4.2.1. Participatory monitoring system to assess the project?s environmental benefits implemented. This output was updated to indicate the wider range of tools and mechanisms that the project will use to monitor and assess the project?s global environmental benefits. Details in the wording of the output were removed and are now included as part of the description of activities.
Output 4.4. Project gender mainstreaming plan, stakeholder engagement plan, and M&E plan implemented and manual on gender mainstreaming and stakeholder participation developed.	4.2.2. Project gender mainstreaming plan, Indigenous Peoples Plan, stakeholder engagement plan, and M&E plan implemented and manual on gender mainstreaming and stakeholder participation in sustainable food production systems developed. This output was updated to indicate other plans that the project will implement as part of the strategy for monitoring the social and environmental safeguards put into place by the project.

4) Alignment with GEF focal area and/or impact program strategies.

75. The alignment with GEF focal areas are consistent with the Child Project Concept; however, the link between environmental degradation including deforestation and the targeted priority sectors (principally coffee and palm oil) is further demonstrated as follows. Studies carried out by Iarna-URL in 2012[16], showed that the lands associated with cattle ranching and agricultural activities (bush and grasslands) are those that have had the greatest transformation into oil palm plantations. Additionally, the analysis of the causes of deforestation in the project area concluded that the causes of deforestation are mostly related to cattle ranching, agriculture, and timber extraction. These assessments suggest that oil palm is not the direct driver of deforestation in the region. However, it should be taken into account that the production activities that the oil palm displaces when it expands (cattle ranching and agriculture) are established in other areas, including protected areas and forest areas.

76 Evidence indicates there is a strong demand for land to establish oil palm plantations, which has led cattle ranchers and agriculture producers to sell or lease their land and move their production activities to other areas. For this reason, the project considered palm oil as a commodity of interest to avoid the displacement of other production of activities to protected areas or HCVF areas causing deforestation.

77. Regarding coffee, during the interviews carried out as part of the project design, farmers indicated that depending on market conditions, they intend to expand their plantations. They indicated that the new producers (young people who are starting their own families) are those who are establishing new coffee farms and existing forested areas are preferred to take advantage of the existing natural shade. This will lead to the transformation of forest areas to coffee crops, causing deforestation in the short and medium term. Accordingly, coffee was prioritized as target priority sector.

5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, and co-financing.

78. The baseline investments described in Section 2 above will no be sufficient to promote sustainable landscapes in the MRW. The GEF alternative will allow to promote sustainable food

systems, restore degraded ecosystems, and reduce deforestation in the MRW that otherwise would remain limited under the baseline. These actions, which will be implemented during a 7-year period with a GEF investment of USD 11,162,802 and USD 60,017,006 in cofinancing, will be added to the baseline investments delivering GEBs as follows:

Current practices (baseline)	**Alternative proposed by the Project**	**Anticipated GEBs**
Component 1: Development of integrated landscape management (ILM) systems		
Weak implementation of policies and their instruments, such as PROBOSQUE and PINPEP incentive programs, the Strategy for the Restoration of the forest landscape, the National strategy to address deforestation and forest degradation in Guatemala, the Institutional action plan for prevention and reduction of illegal logging in Guatemala, the REDD + Strategy, the National Strategy for Sustainable Bovine Livestock, the National Strategy for Biological Diversity and its Action Plan, and family farming program, among others.	Strengthen partnership between INAB, CONAP, MAGA, MARN, and Segepl?n to improve the implementation of policies and their instruments in the project landscape consistent with the FOLUR objectives. The implementation of these tools as well as agreements promoted/facilitated by the project will improve the conservation, management and restoration of forestlands and will enable the implementation of restoration actions through agroforestry systems and silvopastoral systems, and implementation of good agricultural and cattle practices generating environmental benefits including the conservation of strategic ecosystem services.	506,135 ha benefit from five micro-watershed management plans and through Municipal Development and Land Use Plans (PDM-OT) that will incorporate biodiversity conservation objectives
Weak institutional framework at the municipal level for environmental and natural resources management and mainly for the preparation of municipal development and land use plans (PDM-OT) and their implementation through related regulations approved by the municipal council/COMUDE.	Joint work between the Project, the municipalities and Segepl?n for the formulation or updating of PDM-OTs in the municipalities of the project area for the integration of the FOLUR objectives in PDM-OTs and into the related regulations that allow their implementation. Likewise, strengthening the capacities of the environmental management and planning units and local water boards to enhance governance for the sustainability of development and land use planning and for the management of micro watersheds.	
Weak institutional framework for the implementation of ILM systems and environmental assessment guides in the palm, coffee and cattle ranching sectors. This situation generates low capacity for the development and implementation of environmental impact assessment tools (environmental instruments) in these sectors, generating pollution and environmental deterioration of natural resources.	Synergies between the MARN and the private sector (Anacaf?, FEDECOCAGUA, GREPALMA and the Cattle Ranchers Association) for the strengthening of capacities related to the compliance with environmental guides and for the development, approval and implementation of environmental impact assessment instruments for the implementation of good agricultural and agro-industrial practices and achieving FOLUR objectives including sustainable food production systems (palm oil, coffee, and other food systems), the restoration of degraded land, and the reduction and monitoring of deforestation.	

Component 2. Promotion of sustainable food production practices and responsible value chains		
97% of coffee producers in Guatemala are micro and small producers, which have multiple needs related to farming, which range from improving quality and increasing coffee production, the implementation of best agricultural and environmental practices, to diversification with different sustainable food production systems. Anacaf?, aware of these needs, has built an integral technical support system per region; however, its capacity to provide technical support to coffee farmers in the project landscape is very limited.	In coordination with Anacaf? and other stakeholders in the coffee value chain with direct relationships to the area?s coffee growers, increase in the number of men and women producers who are provided technical support for production, maintenance of the coffee farms, and sustainable production, including agrochemical management, among other issues. Strengthen and promote the diversification of coffee farming as a sustainable food production system, improving shaded areas through improved forest cover practices (e.g., LMTs) and fruit trees that will ensure the continuity of the coffee crop as an agroforestry system free from deforestation.	22,179.31 ha of landscapes under improved practices
The MARN has approved the Environmental Guides for the coffee, palm oil, and cattle ranching sectors for agricultural production and processing, which include clear guidelines to develop mitigation plans and measures for the potentially associated environmental impacts. However, the commodity supply chain for coffee and other food production systems in the project landscape operate without consideration of environmental impacts due to low enforcement capacity of the MARN and to the fact many small producers are not aware of the existence of the Environmental Guides and its requirement?s.	Support Anacaf? and GREPALMA, who lead the application of the guides within their sectors, to inform producers in the project prioritized landscape about the guides and their requirements. In addition, train key stakeholders to develop and implement environmental instruments that the guides mandate, in coordination with Anacaf?, GREPALMA and the MARN. Also, support the monitoring and control processes, particularly the mitigation measures specified in the guides; this will involve supporting the different offices of the MARN (Department of Environmental Monitoring and Control [DVSA]); Department of Environmental Quality [DCA]; Environmental Management and Natural Resources Directorate [DIGARN]; and Legal Compliance Directorate) to conduct assessments of compliance of the producers. In the case of the cattle ranching sector, support the finalization and approval of the Environmental Guide for dual-purpose cattle (beef and milk) and the development of an Environmental Guide for beef cattle.	

Commodity supply chain for palm oil in the project landscape with sustainability certification but with limited socio-environmental responsibility. Agrocaribe/AgroAmerica, the largest palm oil producer in the project landscape has been certified by RSPO and Rainforest Alliance.	Promote sustainable food production systems in communities (mainly Q?eqchi?) in the areas of direct influence of palm oil plantation in the project landscape, as part of integrated landscape management and enhanced socio-environmental responsibility. In addition to what Agrocaribe/AgroAmerica is doing to comply with RSPO requirements, strengthen the socio-environmental responsibility plans of this company by promoting new sustainable food production systems (e.g., basic grains, and fruits) among local communities, including women groups, and facilitating access to markets for food products, enhancing food security and creating opportunities for additional income for households.	

The coffee from the project landscape, as well as other sustainable food products such as cattle beef and agroforestry products lack the differentiation needed to be competitive in national and international markets. On the other hand, 100% of the palm oil produced by Agrocaribe/AgroAmerica (the largest producer in the project landscape) is directly exported to Europe and is certified (i.e., RSPO and Rainforest Alliance).	Promote the differentiation and commercialization of deforestation-free products from the project landscape. To this end, the project will implement an inclusive competitiveness program that focuses primarily on coffee and secondarily on the other sustainable products. The program will determine existing gaps to enhance competitiveness, create action plans, establish key partnerships for implementation, and develop indicators that will be validated, reviewed, and approved by the project?s executing unit and other stakeholders such as Anacaf?, the Cattle Ranchers Associations of Izabal and Zacapa, and public institutions (MARN and MAGA, among others). In addition, a marketing strategy will be designed that focuses mainly on coffee produced in the project using as a reference successful cases in other areas of the country and with support from exporters such as Exportcaf?/ECOM, which is already present in the area. The market strategy includes the differentiation of coffee produced in the project landscape in order to be competitive in national and international markets. The strategy will be complemented by the comprehensive technical support actions to reduce gaps in environmentally and socially sustainable coffee production practices, including training courses for marketing coffee such as those developed by AGEXPORT. In the case of products from other food production systems, an analysis will be performed to determine which product has the maturity to make use of a marketing strategy.	
Component 3: Conservation and restoration of natural habitats		

Guatemala has defined a National Strategy for the Restoration of the Forest Landscape and is implementing the PINPEP and the PROBOSQUE incentive programs, which are administered by INAB, to promote the conservation of forests and the restoration of degraded forest areas. In addition, practical guidelines for forest landscape restoration in Guatemala were developed by INAB, the FAO and IUCN giving priority to the restoration of riparian forests, protected forests in upper watersheds, mangrove, and secondary (degraded) forests. However, under the baseline and ecosystem connectivity in the project landscape will only be achieved at a slow pace due limited capacity locally to implement restoration and conservation actions, including access to forest incentives.	Land restoration and ecosystem connectivity in the project landscape will be largely enhanced improving habitat for biodiversity and ecosystem services, including carbon stocks and water supply for food production systems and local communities. Working closely INAB with IUCN as the Executing Agency, the project will promote and provide technical assistance to small land owners and holders in the project landscape to access the PINPEP and PROBOSQUE forest incentives, which will allow the implementation of LMTs improving restoration and biodiversity conservation efforts.	- 25,000 ha of land and degraded ecosystems restored - 6,403,578 tCO_2-eq mitigated in 20 years resulting from the implementation of LMTs - Improved quality of habitat for endemic and threatened species such as the jaguar (*Panthera onca*), the Guatemalan beaded lizard (*Heloderma charlesbogerti*), and 6 species of endemic amphibians
Some monitoring of environmental threats to biodiversity and production lands, including the assessment of changes in deforestation in the project landscape, by CONAP, MARN, and INAB (public sector) or FUNDAECO and Defensores de la Naturaleza (civil society). In addition a consortium of institutions formed by the Government (MARN, MAGA, INAB, and CONAP) and members of the Universidad del Valle and Rafael Landi?var University (i.e., the Forest and Land Use Interinstitutional Monitoring Group ? GIMBUT) are working in the mapping of natural resources, particularly in the forestry sector.	More effective monitoring of environmental threats through: a) a spatial verification system of land use change for palm oil, coffee, and other food production systems to be operationalized by the GIMBUT, which will also allow increasing the frequency of forest mapping in the project landscape; b) enhanced participatory monitoring on the ground, including a conflict resolution program to mitigate the expansion of agriculture into ecologically sensitive areas working closely with MAGA, CONAP, MARN, and INAB and civil society; c) enhanced patrolling and the prevention and control of forest fires (in coordination with National Coordination for Disaster Reduction Council [CONRED]); d) effective coordination of CONAP and the Nature Protection Directorate of the National Civil Police (DIPRONA) to diminish wildlife trafficking; and e) legal support and management of environmental grievances to social institutions (public, civil society, etc.) or platforms (e.g., Environmental Justice Forum in Izabal).	
Component 4: Project Coordination and M&E		

Few efforts for sharing solutions and good practices related to land use planning, food production systems and value chains, biodiversity conservation, and SLM. The participation in regional platforms is limited to production-related platforms such as the Mesoamerican Palm Oil Alliance ? (Mexico, Guatemala, Honduras and Nicaragua) coordinated by Solidaridad and the regional platform for monitoring coffee rust (*Hemileia vastatrix*) in the seven PROCAGICA (Program for the Integral Management of Coffee Rust) countries. At the global level their engagement in the Roundtable for Sustainable Palm Oil (RSPO), particularly through Agrocaribe/AgroAmerica who became the first company in Central America certified under the RSPO standard.	A national-level platform, which will operate on-line, will be designed and operationalized allowing to capture, assess, document and share, in a user-friendly manner, information, lessons, best practices, and expertise generated from the Guatemala child project, other child projects participating in the FOLUR IP, and other similar initiatives in the region. Active participation in knowledge management national and global platforms, in particular the FOLUR Global Platform, will allow to disseminate lessons learned and information on FOLUR best practices, and replication and scaling-up. The potential for scaling-up using the FOLUR Global Platform includes countries dealing with the same agriculture production in Central America such as Honduras (palm oil, coffee, and cattle ranching), El Salvador (coffee), Costa Rica (coffee), Nicaragua (coffee and cattle ranching), and Mexico (coffee, and also participating in the FOLUR IP), among others. In addition, there will be access of the high-level technical support and advisory services to the FOLUR Global Platform, including to apply FOLUR-related interventions in the project landscape and coffee and palm oil value chains, and to strengthen landscape management and food/commodity production systems and train national and local stakeholders, and access to markets, among others.	

6) Global environmental benefits (GEFTF).

79 The global environmental benefits to be delivered by the project were updated as follows:

? 25,000 ha of land and degraded ecosystems restored. Restoration activities using landscape management tools (LMTs) include: a) restoration of natural vegetation and establishment of plantations with native species for production = 11,500 ha; and b) agroforestry and silvopastoral systems with permanent crops, and agroforestry systems with annual crops = 13,500 ha.

? 22,179.31 ha of landscapes under improved practices. Area of landscapes under improved management to benefit biodiversity = 2,179.31 ha; Area of landscapes under sustainable land management in production systems (including the reduction of surface water and groundwater pollution) = 19,400 ha; Area of High Conservation Value Forest (HCVF) loss avoided = 600 ha.

? 6,403,578 tCO2-eq mitigated in 20 years. Climate change mitigation benefits are expected as a result of the implementation of restoration activities in 25,000 ha using

landscape management tools and avoided deforestation of 4,807.5 ha by project end. Estimates of direct benefits for a 20-year period have been calculated using FAO?s Ex-Ante Carbon-balance Tool (EX-ACT; version 8.5.4c). Please refer to Annex H of this CEO Endorsement Request for estimations of avoided GHG emission reductions.

? Improved quality of habitat for endemic and threatened species. Species include: jaguar (*Panthera onca*); the mantled howler (*Alouatta palliata*); the endangered endemic lizard *Heloderma charlesbogerti*; the golden-winged warbler (*Vermivora chrysoptera);* and six species of endemic amphibians (*Duellmanohyla soralia, Nototriton brodiei, Craugastor nefrens, Cryptotriton monzoni, Bolitoglossa conanti, Craugastor adamastus*).

? 12,966 direct project beneficiaries (40% women; 60% men). Includes primarily small and medium producers of coffee, palm oil producers, and to a lesser extend other sustainable food systems (maize, beans, and banana/plantain) and value chains. Direct beneficiaries are defined as individual people who measurably benefit from the existence of the project, or who use the specific resources that the project maintains or enhances. Direct beneficiaries must be aware that they are receiving this project support. Based on this definition and considering the different activities to be implemented by the project, an assessment was conducted to estimate the direct beneficiaries per participating municipality and agency in the project.

7) Innovativeness, sustainability and potential for scaling up. ?

80. Innovativeness, sustainability and potential for scaling up was updated as follows: The project will introduce innovation by developing at least three (3) agreements that will bring together multiple stakeholders together (government, civil society [including women groups, indigenous peoples, the youth, academia, and others], producer associations of palm oil, coffee, other food production systems, and producers (e.g., Agrocaribe/AgroAmerica). In addition, the project will introduce innovation by developing a socio-environmental business model for sustainable palm oil and coffee value chains and deforestation-free production allowing further access to national and international markets that value environmentally friendly production practices. Additionally, the project is innovative insofar as it will allow mainstreaming the ILM concept associated with FOLUR in land use watershed and local land use planning instruments, at present, is not being considered.

81. The institutional sustainably will reside principally in the project?s ability to bring together government agencies and existing restoration and production platforms to coordinate actions, exchange information, and define guidelines for sustainable food production and the restoration of degraded lands. Long-term agreements between the government, civil society (including women groups, indigenous peoples, and others), producer associations of palm oil, coffee, other food production systems, and producers will be established allowing the implementation inclusive ILM systems. Existing platforms will be strengthen for joint planning and inter-institutional and intersectoral collaboration, decision-making, and monitoring. At the local level, governance for implementing ILM systems will be strengthened by developing or updating and implementing planning and investment instruments (municipal development and land use plans, municipal investment plans, and watershed management plans) that incorporating FOLUR goals into mid- and log-term planning.

82. Implementation of sustainable food production practices and responsible value chains will depend on the project?s ability to encourage the sectors of palm oil, coffee and other food systems (e.g., cattle ranching and basic grains production) to adopt sustainable production practices making use tangible monetary and non-monetary incentives (e.g., government-sponsored forest management and conservation incentives, and third-party certification) that will be made available by the project and that would allow producers to continue using environmentally friendly production after completion. Sustainability will also be achieved by strengthening the capacity of producers to

implement sustainable food production practices and responsible value chains, technical assistance programs will be implemented in coordination with the relevant stakeholders such as the municipalities and MAGA, as well as with representatives of the private sector; this will include: a) diversification of production and marketing in the case of coffee; b) support for mobilizing financial resources for coffee producers, cattle farmers, and other agroforestry systems; c) promotion and implementation of sustainable food production systems in communities in the areas of direct influence of palm oil plantations; and d) support to the differentiation and commercialization of products from the project landscape prioritizing coffee and secondary support to cattle ranching and other agroforestry systems.

83. The environmental sustainably will be achieved by mainstreaming biodiversity conservation and sustainable land management objectives into production landscapes reducing deforestation, preventing further habitat fragmentation, and reducing surface water and groundwater pollution and soil erosion that result from non sustainable food production systems. This will be achieved by making available to small and medium producers of coffee and other food products, as well as cattle ranchers, national forest incentives in cash through the PINPEP and PROBOSQUE programs and other financial mechanisms so that they can implement sustainable food production systems and landscape management tools (LMTs) at the farm-level to enhance ecosystem connectivity between protected areas present in the project landscape and to enhance carbon stocks. Long-term voluntary conservation and/or restoration and best production practices agreements will be signed with producers and forest management plans will be developed for production or for conservation and restoration of degraded ecosystems (e.g., riparian forest); technical support will be provided for implementing the management plans at the farm level, environmental assessment instruments for production units will be required to prevent, correct or mitigate impacts or minimize environmental risks, and a M&E mechanism will be developed to assess compliance of voluntary conservation agreements and the implementation of LMTs.

84. A sustainable production model for palm oil, and coffee to be developed by the project has the potential for replication in other parts of the country where these commodities are causing deforestation and land degradation. The project will develop and/or update Municipal Development and Land Use Plans (PDM-OT) and Institutional Strategic Plan, Multiannual Work Plan, and Annual Work Plan (PEI-POM-POA), which will guide long-term land use planning and investments locally; the project will mainstream a multidimensional environmental, social, and economic planning strategy, which can be replicated in other municipalities in the country. Replicability and scaling up will be facilitated through the Interinstitutional Coordination Group (GCI), which is composed by MAGA, INAB, MARN, and CONAP, and which will include a technical group to address issues related to the FOLUR (Component 1), the enhanced National Restoration Roundtable for the Forest Landscape with the participation of the palm oil, coffee, and cattle ranching private sectors (Component 1), and the information and knowledge exchange platform (Component 4). Scaling-up will so be achieved through the departmental development councils (CODEDE), which have the ability to interact with all the municipalities within a given department and guide and prioritize investments (through Component 1 the project will strengthen the operational capacity of the two CODEDES present in the project landscape for implementing actions for achieving ILM); as well as through Segepl?n, who continuously provide support to municipalities for the development of municipal investment plans and for the development and land use plans; Segepl?n will be part to the Project Board, which will facilitate identifying best practices and knowledge that can be replicated in other regions of the country. Finally, the potential for scaling-up at the international level using the FOLUR Global Platform includes countries dealing with the same agriculture production in Central America such as Honduras (palm oil, coffee, and cattle ranching), El Salvador (coffee), Costa Rica (coffee), Nicaragua (coffee and cattle ranching), and Mexico (coffee, also participating in the FOLUR IP), among others.

[9] Consejo Nacional de ?reas Protegidas. 1999. Estrategia nacional para la conservaci?n y el uso sostenible de la biodiversidad y plan de acci?n Guatemala. CONAP, Guatemala. 143 pg.

[10] An?lisis de la Biodiversidad en Guatemala Agosto de 2002. FIPA-USAID. 110 pg.

[11] IARNA-URL (Instituto de Agricultura, Recursos Naturales y Ambiente de la Universidad Rafael Landi?var). (2012). Perfil Ambiental de Guatemala 2010-2012. Vulnerabilidad local y creciente construccio?n de riesgo. Guatemala: Autor.

[12] https://climateknowledgeportal.worldbank.org/country/guatemala/climate-data-projections.

[13] Castellanos, E., Fernandez, D., Incer, D., Robb, J., Quilo, A., Alfaro, G., . . . Pons, D. (2017). Linea base de deforestaci?n para iniciativas REDD+ en la region subnacional Sarstun-Motagua. Revista Yu'am 2(3), 48-54.

[14] Decentralized government institution that promotes: a) access to land for integral and sustainable development; b) standardization of government land adjudication processes; c) development of sustainable farming communities; and d) institutional strengthening.

[15] Developed by IUCN and the World Resources Institute (WRI), the ROAM provides a flexible and affordable framework for countries to rapidly identify and analyze areas that are primed for forest landscape restoration and to identify specific priority areas at the national or sub-national level; it can also enable countries to define and implement national or subnational contributions to the Bonn Challenge (https://www.iucn.org/theme/forests/our-work/forest-landscape-restoration/restoration-opportunities-assessment-methodology-roam).

[16] An?lisis de la din?mica de expansi?n del cultivo de la palma africana en Guatemala: un enfoque cartogr?fico, https://www.url.edu.gt/publicacionesurl/FileCS.ashx?Id=40177

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

85. Please refer to Annex E of this CEO Endorsement Request.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

86. The project is fully aligned with the FOLUR IP strategy; the project?s components mirror the FOLUR IP Theory of Change and components. The project?s strategy is integrated across the IP objectives; the project will engage multiple stakeholders (government, supply chains, and civil society) through Component 1 to work collaboratively to **develop ILM systems,** including coordination of actions and sharing knowledge and information for deforestation-free commodity implementation. Existing restoration and production platforms (e.g., National Restoration Roundtable

for the Forest Landscape, GREPALMA, Anacaf?, and FEDECOCAGUA) will improve their socio-environmental performance through joint planning, prevention, and management of production-conservation conflicts, as well as participation and collaboration mechanisms. At the local level, planning processes for implementing ILM will be strengthened by developing, updating, adopting, and implementing land use planning and monitoring tools (e.g., Municipal Development and Land Use Plans [PDM-OT] and their regulatory proposals, and participatory restoration priority maps) and enhancing governance for ILM systems implementation that is conducive to deforestation-free palm oil, coffee, and other food systems (e.g., cattle ranching and basic grains) and the reduction of GHG emissions.

87. Through Component 2 the project will strengthen the capacity of producers to **promote sustainable food production practices and responsible value chains**. The implementation of sustainable food production practices (19,400 ha of coffee, palm oil, and other food production systems under sustainable production systems) and responsible value chains will result in reduced deforestation within the project landscape. To achieve this, financial mechanisms and markets will be made available (e.g., National Coffee Trust, preferential credit, certification) to private sector and businesses to incentivize adopting sustainable production practices, and technical support and training for the implementation of sustainable food production systems. A spatial verification system of land use change for palm oil, coffee, maize, beans, and other food production systems (e.g., cattle ranching) will verify deforestation-free production.

88. Through Component 3, the project will make available financial resources from national forest incentives (PINPEP and PROBOSQUE) and other economic and market mechanisms (e.g., certification) to **promote the conservation and restoration of natural habitats,** favoring the restoration of 25,000 ha of ecologically sensitive areas degraded by palm oil, and coffee productions, and other food systems (e.g., cattle ranching and basic grains) using LMTs, which include micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, agroforestry, and home gardens. Restoration and LMTs will result in 3,318,725 metric tons of CO_2e mitigated in 7 years (6,403,578 metric tons of CO_2e in 20 years).

89. Finally, Component 4 will facilitate **project coordination and M&E** by sharing solutions and best practices with the FOLUR Global Platform, the Green Commodities Community of Practice, other global events, and communities of practice. Knowledge and lessons learned systematized and disseminated though different mechanisms and the project?s environmental benefits will be assessed through a participatory monitoring system, which includes the use of different landscape- and field-level monitoring tools, as well social and environmental safeguard mechanisms. There will be exchanges with other FOLUR projects sharing similar situations and working with the same commodities (e.g., coffee: Indonesia, Ethiopia, Peru, and Mexico; palm oil: Indonesia, Malaysia, Papua New Guinea, and Liberia). To take advantage of the high-level technical support and advisory services to be provided to the participating countries by the FOLUR Global Platform, the project will make use of its technical assistance and capacity building services to apply FOLUR-related interventions in the project landscapes and coffee and palm oil value chains, and to strengthen landscape management and food/commodity production systems and train national and local stakeholders, including small and medium coffee and subsistence farmers. In addition, the project will make use of the FOLUR Global Platform as a forum for corporate dialogue and engagement, including support for dialogue on sustainability commitments from multinational companies (e.g., Agrocaribe/AgroAmerica and Exportcaf?/ECOM) and the operationalization of these commitments through standards and practices at the production level; and participation in regional gatherings of countries around sustainable palm oil and coffee production, and ILM to showcase success stories to encourage replication of good practices. Also, the project will collaborate with the FOLUR Global Platform to develop lessons and evidence from sustainable production practices of coffee and palm oil on the ground in Guatemala and contribute these to global fora and public-private sector dialogues. The project may also request assistance to engage with global market stakeholders in the implementation of the marketing strategy for coffee from the project landscape and for other food production systems (e.g., cattle ranching) for which the project will provide secondary support.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Please refer to Annex 8 of the UNDP-GEF Project Document for the Project Comprehensive Stakeholder Engagement Plan.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

90. The identification of project stakeholders was done as part of the PPG following UNDP?s Guidance Note on stakeholder engagement that is part of a set of operational guidance materials related to the UNDP Social and Environmental Standards (SES). Among other things, this assessment allowed the identification of each stakeholder and their interests using and ?interest-influence matrix? developed and assessed by the project formulation team. Please refer to Annex 8 of the UNDP-GEF Project Document for the Project Comprehensive Stakeholder Engagement Plan. Also as part of the PPG process, meetings and consultations were held with the different stakeholders including: central government ? ministries, local governments, indigenous communities and organizations, women and women groups, coffee and palm oil producers? and exporters? organizations, large-scale producers and exporters, medium- and small-scale producers, environment and conservation interest groups and NGOs, academia and institutions providing technical and scientific support, development partners, financial institutions, cattle ranchers? organizations, multi stakeholder platforms, and national and international marketing stakeholders. Consultation with this stakeholder will continue during project implementation and their participation in project activities will be ensured through different means. These include: workshops and meetings, consultations with experts, field visits, interviews, Project Board, Project Technical Advisory Committee, trade fairs, and events for exchanges of experiences among producers and other stakeholders, among others.

91. The project will develop a communication strategy as part of the Comprehensive Stakeholder Engagement plan that will be adapted to the project implementation needs given the diversity of the project stakeholders. The communications strategy will use informational formats that are considered to be optimal for contributing to the greatest understanding and appropriation of the project by the project stakeholders. This will be especially important for the indigenous peoples that should use interpreters if needed. In addition, the project includes a grievance mechanism to address and resolve complaints or grievances that arise during the project implementation phase. Stakeholders will be informed about its existence and may use it as they need to; the Project Manager will be in charge of documenting and managing grievances. Other important mechanisms for involving stakeholders include the Gender Action Plan, the Indigenous Peoples Plan (IPP) (to be developed during project implementation base on the Indigenous Peoples Plan Framework [IPPF] developed during the PPG), UNDP?s Social and Environmental Screening Procedure (SESP) tool and risk mitigation plans, and decentralized and participatory M&E. The project management unit (PMU) will

implement the Comprehensive Stakeholder Participation Plan, the IPP/IPPF, the Gender Action Plan, as well as the guidelines related to safeguards and risk mitigation plans. The Project Manager will direct the PCU, will receive feedback from the Project Advisory Committee, will promote the participation of stakeholders, and will mediate conflicts that may arise between them. The above mechanisms for stakeholder participation are explained in detail in the Project Comprehensive Stakeholder Engagement Plan and the ESMF (Annex 8 of the UNDP-GEF Project Document).

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

92. The project landscape has a total population of 401,527 inhabitants, comprised of 196,932 men and 204,595 women. Since women represent more than 50% of the population of the area where the project will be implemented; so mainstreaming gender will be key, as well as an appropriate identification of the beneficiaries of the project. Official information regarding the situation of women in prioritized municipalities is scarce. However, during the PPG it was possible to determine that some women have access to land, participate actively in food production systems and value chains, and are beneficiaries of forest incentive programs like PINPEP and PROBOSQUES. Women comprise 37.3% of the total number of people with access to forest incentives in prioritized municipalities. The role of women around environmental issues has not been documented; this is mainly due to the appropriation of these issues and their connection to male figures. For example, their contributions to issues around traditional medicinal practices, reforestation, home education, waste management, etc., lack data, nor are there data or substantial statistics that demonstrate their contribution. Furthermore, gender perspective concerns are relatively recent in this project landscape. In general, institutions and governments have not used a gender approach that is oriented towards making women more visible despite the fact that by law all municipalities are mandated to establish women issues offices (i.e., Municipal Directorate for Women [DMM, Spanish acronym]). DMMs are in charge of receiving complaints about violations of women's human rights and providing guidance, supporting the women victims of violence, strengthening the capacities of women leaders of the municipalities, influencing gender inclusion and cultural relevance, coordinating activities for the empowerment of women with different organizations, and promoting opportunities for dialogue between women's organizations and the municipal, governmental, and non-governmental institutions. For additional information regarding the gender context of the project please refer to Annex 10 of the UNDP-GEF Project Document for the Gender Analysis.

Gender Action Plan						
Component 1. Development of integrated landscape management (ILM) systems						
Gender-related activity	Indicator	Target	Baseline	Budget	Timeline	Responsibility
Design of three hundred (300) environmental instruments for coffee, palm oil, and cattle ranching with a gender focus	Number of beneficiaries disaggregated by gender	At least 90	0	Included as part of the overall the project budget	Years 2 to 7	Field Technical Officers, Governance Specialist
Five (5) micro-watershed management plans that are multicultural and gender-sensitive	Percentage of women in micro-watershed committees	At least 40%	0%	Included as part of the overall the project budget	Years 2 to 7	Field Technical Officers, Governance Specialist
	Number of women in management positions in the micro-basin committees	At least one (1)	0	Included as part of the overall the project budget	Years 2 to 7	Field Technical Officers, Governance Specialist
Gender- and multiculturally sensitive PDM-OTs and their regulatory proposals developed or updated PEI-POM-POA developed or updated with a gender and multicultural approach	Number of project - supported plans, strategies, policies incorporating gender analysis and actions	6 PDM-OTs 6 PEI-POM-POAs	0	Included as part of the overall the project budget	Years 2 to 7	Governance Specialist Field Technical Officers Communications Specialist
Participatory restoration priority maps for the MRW developed with key stakeholders, including women	Percentage of women participating in the development of restoration priority maps	At least 40%	0%	Included as part of the overall the project budget	Years 2 and 3	Field Technical Officers Governance Specialist
Component 2: Promotion of sustainable food production practices and responsible value chains						

Gender-related activity	Indicator	Target	Baseline	Budget	Timeline	Responsibility
Institutional capacity development program includes specific modules on gender and multiculturalism	Number of people benefiting from capacity building related to gender mainstreaming	180	0	Included as part of the overall the project budget	Years 2 to 6	Governance Specialist in coordination with MARN, INAB, MAGA and CONAP, Support from Communications Specialist
	Number of specific gender capacity building workshops	10	0	$50,000 (USD 5,000 per workshop)	Years 2 to 6	Governance Specialist in coordination with MARN, INAB, MAGA and CONAP and private sector (GREPALMA and Anacaf?). Support from Communications Specialist
Support, including inputs and technical assistance, to the DMMs for the implementation of food production systems in the communities located in areas of direct influence of palm oil plantations	Number of women that benefit from the implementation of sustainable food production systems in the communities located in areas of direct influence of palm oil plantations	At least 500	0	Included as part of the overall the project budget	Years 2 to 7	Governance Specialist Field Technical Officer (Izabal)

Communication and behavior change campaigns through different media and dissemination mechanisms (press, radio, television, billboards, infographics), aimed at raising awareness about the contribution of women to sustainable food production	Number of campaigns carried out	3	0	$51,000 ($17,000/campaign)	Years 2, 4 and 6	Local Consultant Governance Specialist Support from Communications Specialist
Capacity development program for sustainable food production with a gender approach	Percentage of women participating in the development of restoration priority maps	At least 40%	0%	Included as part of the overall the project budget	Years 2 to 7	MAGA, Anacaf?, FEDECOCAGUA, FUNDAECO, FDN, DMM Governance Specialist Field Technical Officers
Support to coffee producing groups, including women, in Negro Norte (Sierra Caral) to improve productivity and access to markets	Number of market transactions	At least 10	0	$124,000 ($31,000/year)	Years 2 to 5	FUNDAECO, Anacaf?/FEDECOCAGUA, Field Technical Officer (Izabal)
	Number of capacity building and technical assistance workshops	5	0			
	Number of events of knowledge exchange with other groups of producers	3	0			
Component 3: Conservation and restoration of natural habitats						
Gender-related activity	Indicator	Target	Baseline	Budget	Timeline	Responsibility

Design of agroforestry systems benefiting women, with support from the DMMs.	Percentage of women benefiting from the implementation of agroforestry systems	40%	0%	Included as part of the overall the project budget	Years 2 to 7	INAB, Anacaf?, FEDECOCAGUA, FUNDAECO, FDN, MAGA, DMM, Governance Specialist Field Technical Officers
At least fifty (50) gender- and multiculturally sensitive forest management plans developed within the production areas or surroundings to access national forest incentives (e.g., PINPEP and PROBOSQUE) for conservation and restoration or other economic and market mechanisms (e.g., certifications).	Percentage of women beneficiaries	At least 50%	37.3% (government-funded forest incentives)	Included as part of the overall the project budget	Years 2 to 7	INAB, CONAP, Governance Specialist Field Technical Officers
Guidelines developed, with the participation of women to reduce threats to biodiversity,	Number of pilot experiences in the implementation of the guidelines	At least one (1)	0	Included as part of the overall the project budget	Years 2 to 7	UGP, MARN, CONAP, MAGA, DMM, Anacaf?, FEDECOCAGUA, GREPALMA, Agrocaribe/AgroAmerica

freshwater systems, and soils in production landscapes, including the reduction and/or avoidance of chemicals and waste related to palm oil, coffee, and other food production systems	Percentage of women benefiting from pilot experiences in the implementation of the guidelines	At least 50%	0%			
Pilot scheme for the compensation for water ecosystem services (e.g., Sierra Caral, Monta?a Chiclera, Las Granadillas, Sierra de las Minas) contributes to forest conservation implemented with a gender and multicultural focus	Women in leadership roles in groups supported by the project	At least 5	0	Included as part of the overall the project budget	Years 2 to 7	Project Team, local governments, INAB, CONAP, MARN, FUNDAECO, Defensores de la Naturaleza
	Percentage of awareness-raising events that include a gender approach	100%	0			
Component 4: Project Coordination and M&E						
Participatory monitoring system to assess the project?s environmental benefits with women participation	Percentage of women leading M&E activities	At least 30%	0	Included as part of the overall the project budget	Years 2 to 7	Project Team Local governments Implementing partners
Training of women?s groups in environmental monitoring methodologies and the use of related tools	Percentage of women trained in M&E	At least 40%	0	Included as part of the overall the project budget	Years 2 to 7	Project Team Implementing partners

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources;

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

93. Private sector stakeholders participating in the project include Agrocaribe/AgroAmerica, Anacaf?, GREPALMA, the Cattle Ranchers Associations of Izabal and Zacapa, cooperatives of coffee growers, FEDECOCAGUA, Guatemalan Exporters Association (AGEXPORT), Chamber of Agriculture (CAMAGRO), Exportcaf?/ECOM, and Starbucks, among others. During the PPG, discussions were held with representatives from these organizations regarding their role in the project; the private sector actively participated in project-related events such as the project results framework workshop and the validation workshop, in addition to multiple bilateral meetings. Private sector engagement will continue during the implementation phase of the project through participation in agreements to promote and implement inclusive ILM systems, enhancement of their socio-environmental performance, implementation of collaborative mechanisms for the coffee and palm oil sectors and other food production systems, and promotion of the sustainable production of palm oil, coffee, and other key food systems (e.g., cattle ranching and production of basic grains) as well as for the conservation and restoration of forests and degraded lands in production landscapes. In additional, the project will involve financial institutions (e.g., Rural Development Bank [BANRURAL], Banco Agromercantil, and credit unions), to provide lows to producers particularly for coffee growers. This will include involvement with the National Coffee Trust, which is managed through BANRURAL, and a new financial service called ?My Harvest Loan (*Pr?stamo Mi Cosecha*),? which was developed jointly by Anacaf? and the Inter-American Development Bank (IDB)-LAB project, an initiative that supports innovative projects and early stage ventures, and is commercialized through credit cooperatives present in the area. Banks (e.g., Rural Development Bank [BANRURAL/Prestamo Mi Cosecha and National Coffee Trust], Banco Agromercantil, Promerica, and credit unions) will provide low-interest loans for sustainable production practices. The project will use as a guide the National Coffee Trust administered by BANRURAL that awards loans of up to $12,000 for up to 15 years to small producers at 2% annual interest (Decree 4-2019 ?*Ley para la reactivaci?n econ?mica del caf?*?; (https://www.anacafe.org/productores/fideicomiso). Although the modality and conditions for the loans to small producers may vary according to the financial institution, at a minimum the beneficiary of the loan must demonstrate ownership of the producing agricultural unit (either as owner, usufructuary, or legitimate possessor) and present an investment plan.

94. The number of coffee producers who will benefit from the mobilization of financial resources (loans and/or cash payments/incentives) is 300 coffee producers (women: 115; men: 185). The number of producers from other food systems for which the project will provide secondary support will be determined during project implementation once the final sites for investment are established within the prioritized area of connectivity in the project landscape. The project will not support palm oil producers through loans or incentives.

95. Private sector stakeholder engagement in the project?s components and outcomes will be as follows:

Component	Outcomes	Key Stakeholders	Actions	Duration
Component 1: Development of integrated landscape management (ILM) systems	Outcome 1.1: Key public agencies (MAGA, MARN, MINECO, INAB, and CONAP), the palm oil and coffee sectors, and other food production sectors with improved capacity to coordinate actions, exchange information, and promote sustainable food production systems and the restoration of degraded lands through existing platforms (National Restoration Roundtable for the Forest Landscape, GREPALMA, Anacaf?, and FEDECOCAGUA)	Private sector (GREPALMA, Agrocaribe/AgroAmerica, Anacaf?, and FEDECOCAGUA)	Exchange information, establish guidelines for sustainable production, conservation, and restoration	12 months
		Private sector (GREPALMA, Agrocaribe/AgroAmerica, Anacaf?, FEDECOCAGUA, and small and medium producers)	Establishment of three agreements with the government, CSOs (including women, youth, and others) for palm oil, coffee, and other production systems. Follow-up on the agreements. Implementation of 300 management plans for best production practices.	6 years
	Outcome 1.2: Existing platforms (restoration, coffee, palm oil, and other food systems improve their socio-environmental performance	GREPALMA, Anacaf?, FEDECOCAGUA, Agrocaribe/AgroAmerica, AGEXPORT, and CAMAGRO	Development of inclusive action plans and protocols to collect and share environmental and production information. Development of protocol for the prevention and management of production-conservation conflicts. Join the National Roundtable for Restoration of the Forest Landscape.	18 months
Component 2: Promotion of sustainable food production practices and responsible value chains	Outcome 2.1: Strengthened capacity to promote sustainable food production practices and responsible value chains	Anacaf?, producers? associations, financial institutions (private banks: BANRURAL, Banco Agromercantil, credit unions Promerica, etc.	Provide technical assistance to producers to access loans Provide incentives to producers in the form of favorable loans for the implementation of sustainable food systems.	5 years
		C.A.F.E Practices (Starbucks) and Exportcaf?/ECOM	Coffee certification	5 years

		Agrocaribe/AgroAmerica	Development of an inclusive technical assistance program for palm oil producers to strengthen their socio-environmental responsibility plans	
	Outcome 2.2: Reduction of deforestation through sustainable food production practices and responsible value chains	Anacaf?, GREPALMA, Agrocaribe/AgroAmerica, producers, and international and national buyers. Izabal and Zacapa Cattle Ranchers Associations (secondary support)	Development of a strategy for differentiation learning from successful cases and lessons learned, promoting sustainable practices for food systems with zero deforestation	6 years
		Anacaf?, producers? and exporters? associations (AGEXPORT), large-, medium-, and small-scale producers.	Implementation of the competitiveness program, inclusive program of best socioenvironmental practices, management. Develop marketing strategy to maximize economic benefit for small and medium coffee producer	6 years
Component 4: Project Coordination and M&E	Outcome 4.2: Knowledge and lessons learned systematized and disseminated	Producers organizations, independent producers, Anacaf?, GREPALMA, FEDECOCAGUA	Participatory implementation of the monitoring system	6 years

96. The role of the private stakeholders along the coffee value chain and the palm oil value chain are as follows:

97. Coffee: The value chain in Guatemala is made up of five steps: inputs, production & storage, transformation, commercialization/export, and final consumption (also see figure 1 in Section 2: The baseline scenario and any associated baseline projects of this CEO Endorsement Request). At each step different private sector stakeholders participate; however, there are private stakeholders that are common to all steps like the Guatemalan National Coffee Association (Anacaf?) and the Federation of Coffee Producers? Agricultural Cooperatives of Guatemala (FEDECOCAGUA) that play dominant roles in the granting of export permits, supply of inputs, services and technical support. Anacaf? promotes the coffee industry as a profitable, sustainable, and globally competitive agroindustry, in addition to being a leading enterprise that promotes economic growth and social sustainability in the country. FEDECOCAGUA, provides support to small Guatemala producers including technical, financial, and marketing support, as well as oversight of the coffee production and export processes for international markets; it brings together 148 cooperatives, agricultural businesses and associations with approximately 20,000 members around the country. The private sector stakeholders participating in each step of the value chain are: i) inputs: Private companies and Anacaf?; ii) production & storage: independent producers and first level cooperatives (in 2017 there were 168 cooperatives that grouped 43,216 people); iii) transformation: second level organizations, including FEDECOCAGUA, independent cooperatives (150), and the Women Coffee Initiative (*Iniciativa Mujeres en caf?*); iv) commercialization/export: Second Level Organizations, Independent companies (64 in total, 25 are members of the Association of Coffee Exporters - ADEC). The largest

'traders' are also the main buyers of coffee from Guatemala; the five largest Traders are NKG, ECOM, VOLCAF?, LDC, and SUCAFINA; of these only ECOM is present in the project landscape; v) consumption: national retailers such as supermarkets and specialist markets including Caf? Barista, Starbucks, McCaf?, among others. In addition, several certification mechanisms are used such as C.A.F.E Practices (Starbucks), Rainforest Alliance, GLOBALGAP, IFOAM organica coffee, Caf? Bird Friendly, FairTrade, Comunidad Cafetalera, AAA Nespresso, Naturaland, and Bio Suisse; among these C.A.F.E Practices (Starbucks) will have a role in the project and possibly Bird Friendly and others such as Women's Seal, and HCV. Finally, Anacaf?, ADEC, and the Guatemalan Exporters Association (AGEXPORT) will provide technical assistance and support for production and marketing.

98. Palm oil: the palm value chain is made up of six steps: service providers, palm growers, oil extractors, oil processors, national and international intermediaries, and markets and buyers (also see figure 2 in Section 2: The baseline scenario and any associated baseline projects of this CEO Endorsement Request). The private stakeholders participating in each step of the value chain are: i) service providers: includes AGEXPORT, GREPALMA, and private equipment suppliers (irrigation, soils, pesticides and fertilizers); ii) producers: multiple small, medium and large producers; there are eight palm oil producers in the project landscape: Agrocaribe/ AgroAmerica (the main palm oil producer) and seven independent producers; iii) oil extractors: Agrocaribe/AgroAmerica (La Francia and El Atl?ntico; iv) national and international brokers: AgroAmerica; and v) buyers: UNILEVER, Cargill, and Nestle. It should be noted that a single company might have control over most or all of the steps mentioned making the value chain very simple. In addition, several certification mechanisms used in the project landscape includes Rainforest Alliance and RSPO. GREPALMA groups together producers of different sizes; it provides political representation and technology transfer for the country's palm growing sector and works in the development of sustainability guidelines and provides strategic communication.

99. The project does not include involvement for policy reform related to sustainable lending or reducing risks associated with lending. Details regarding the involvement of the private sector in the project are provided in Annex 8: Comprehensive Stakeholder Engagement Plan of the UNDP-GEF Project Document.

100. A general rule in the world of agricultural commodities is that companies? willingness to engage with producers tends to increase with the product?s differentiation and perceived attractiveness. PPG baseline assessments concluded that the coffee produced in the MRW is not particularly differentiated in the marketplace, and that it will be difficult to generate new commitment from international buyers in the short term to engage directly in the landscape. Private companies were identified that already have taken an interest in the project landscape and will leverage their commitment and presence through partnerships to improve environmental and sustainable performance of producers. Some of these include major international players, such as Starbucks and ECOM (Exportcaf?), and strong national coffee exporters such as FEDECOCAGUA. The project aims to support product differentiation in the coffee sector, which over time will increase the chances of identifying additional exporters and international buyers willing to engage with producers. In palm oil, the internationally recognized company Agrocaribe/AgroAmerica is extracting oil in the landscape and refining within their own supply chain abroad. As the oil already counts with multiple advanced sustainability certifications, the project will not engage international buyers with Agrocaribe/AgroAmerica to catalyze further improvements on the ground. Rather, the project aims to use Agrocaribe/AgroAmerica?s sustainability leadership role in the MRW to scale up sustainability capacity with other stakeholders.

101. A total of USD $17,379,050 of project cofinancing from the private sector (AgroAmerica, Anacaf?, and GREPALMA), of which 13,836,900 is in cash, was secured during the PPG, in addition to USD $6,924,239 from the ARNPG (USD 1,142,543 in cash), which is largely comprised of small and medium-scale coffee growers. Specific information regarding private sector cofinancing is included in Section C, Confirmed Sources of Co-Financing for the Project by Name and by Type of this CEO Endorsement Request. The private sector will have representation in the Project Board, and will be invited to participate in the project?s Technical Advisory Committee

(TAC), which is a key body of governance of the project to ensure the participation of the key stakeholders during project implementation and M&E.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

102. During the PPG, the project risks were updated and mitigation measures were proposed based on UNDP?s Social and Environmental Screening Procedure (SESP) and other risks identified at the time of the Child Project concept, including climate change. The project has been classified as high risk as it involves the participation of indigenous peoples and other vulnerable or marginalized groups. At this stage (CEO Endorsement) free, prior and informed consultation (FPC) has not yet been applied; this will be achieved as part of the IPP to be developed during project implementation and following the (IPPF) developed during the design of the Project (PPG) part of an Environmental and Social Management Framework (ESMF). The risks that might prevent the project objectives from being achieved are summarized below including their mitigation strategy:

#	Description	Level, Likelihood and Impact	Risk Treatment / Management Measures
1	**SESP Risk 1:** Vulnerable or marginalized groups, including indigenous people (e.g., Q?eqchi?, Ch?orti?, and Gar?funa), might not be involved in project design and therefore not engaged in, supportive of, or benefitting from project activities. FPIC has not yet been applied.	High Not involving small farmers in sustainable food systems and commodity value may limit achieving the project goals and global environmental benefits will not be delivered. L: 3 I: 4	An analysis will be conducted during the initial stage of project implementation to assess the participation of indigenous people in the production of coffee, palm oil, and other food production systems. The IPPF includes procedures to ensure full participation and access to benefits for vulnerable groups and includes a procedure for consultations, according to UNDP SES guidelines. The ESMF foresees an Environmental and Social Impact Assessment for activities at the field level, if necessary. As part of the M&E of the project, compliance with the Comprehensive Stakeholder Engagement Plan and the Gender Action Plan will be evaluated. It is included in the cooperation agreements with production companies and industry that the technical team of the project may carry out random checks to verify compliance with international labor standards. Strengthen monitoring of international certifications that coffee and palm producers may have in compliance with international social standards. If there is not, the project can promote them.
2	**SESP Risk 2**: Field-activities related to the value chains of key commodities (palm oil and coffee) could inadvertently support child labor and other violations of international labor standards.	High Although Guatemala made a significant advancement in efforts to eliminate child labor, children in Guatemala are still engaged in child labor, including coffee production. L = 3 I = 5	

3	**SESP Risk 3**: The project could limit the access of small coffee farmers to natural resources (land and water) within and outside protected areas (PAs) due to increased enforcement of landscape protections and new approaches to land management, potentially causing economic displacement.	Moderate Some coffee farmers may be conducting production activities within PAs and access to these areas, or other ecologically sensitive areas, may be restricted on a voluntary basis and/or through incentives to promote sustainable production practices. L = 3 I = 3	During the initial phase of project implementation, management measures will be developed through a more complete and meaningful consultation process jointly with farmers and PA authorities. CONAP, the governing body of PAs and biodiversity, is part of the Technical Advisory Committee of the project. Project partners include Defensores de la Naturaleza, FUNDAECO, and co-managers of some PAs. CONAP and co-managers guidelines will be followed, as well as zoning criteria and regulations included in the management plans of PAs.
4	**SESP Risk 4**: Local governments (municipalities and COMUDES) and farmer and community associations (e.g., COCODE and micro-watershed management councils) might not have the capacity to implement project activities successfully using a gender- and multiculturally sensitive approach.	Moderate This may result in inadequate forest and watershed governance, and weak enforcement of agricultural and environmental regulations. The lack of incentives for farmers, traders, buyers, and exporters to focus on conservation and restoration may result in weak compliance of sustainability in commodity supply chains. L = 3 I = 3	The design of the project (Component 1) includes several activities to strengthen the governance of forests and micro-watersheds at the local and community levels, which will help reduce this risk. During the PPG, a capacity analysis was carried out using the UNDP Capacity Development Scorecard, which included local governments (including COMUDES) and a group of small producers, mainly coffee and cattle ranchers. This analysis identified weaknesses and proposed actions to strengthen the capacity of these and other stakeholders for the successful implementation of project activities. The ESMF and IPPF include various capacity building activities on technical as well as social issues. The project?s IPPF, the Comprehensive Stakeholder Engagement Plan, and the ESMF include a grievance redress mechanism through which complaints or grievances that may arise in relation to the project activities and the executing entities will be managed. The grievance redress mechanism will be disclosed to all the stakeholders during the project inception phase.

5	**SESP Risk 5**. Partner institutions may not have sufficient capacities to fulfill their obligations as guarantors of rights during project implementation.	Moderate As a direct effect of the weakness of the Government of Guatemala, the project's partner institutions (e.g., MARN, MAGA, INAB, CONAP, and Segepl?n) may have limitations in fulfilling the obligations derived from the execution of the activities anticipated by the project. Among the weaknesses identified, the following is highlighted: shortage of staff; limited financial and material resources; limited presence in communities; weak intersectoral coordination; and weak institutionalization of the human-rights-based approach. These limitations extend to the six municipal governments in the project landscape area and to the government institutions for human rights oversight (Office of the Human Rights Ombudsman [PDH], Presidential Commission on Discrimination and Racism against Indigenous Peoples [CODISRA], and Ombudsmen for Indigenous Women [DEMI]). L = 3 I = 3	The design of the project (Component 1) includes several activities for strengthening the governance of forests and micro-watersheds at the local and community levels, which will help reduce this risk. During the PPG, a capacity analysis was carried out using the UNDP Capacity Development Scorecard with several of the partner institutions of the project (MARN, MAGA, INAB, and CONAP). This analysis identified weaknesses and proposed actions to strengthen the capacity of these stakeholders for the successful implementation of project activities

6	**SESP Risk 6**: Existing conflicts related to land use and modes of production could be exacerbated or reignited by project activities.	Low The project will promote changes in land use and or modes of production for conservation purposes and/or to adopt sustainable value chains. These changes will be voluntary through conservation and best production practices agreements signed with the producers of palm oil and coffee. L = 3 I = 1	Component 2 of the project includes a mechanism for ?Management of production-conservation conflicts?. The PPI includes procedures to address cases of limitation of access and use of resources due to changes in land use. The project includes mechanisms to address complaints or grievances as part of the social and environmental safeguards
7	**SESP Risk 7**: The proposed project may have adverse impacts on gender equality and/or the situation of women and girls, including women farmers.	Moderate Due to high levels of poverty in Guatemala, particularly in rural areas, women and girls may suffer the most marginalization and deterioration of their living conditions. L = 2 I = 3	The Gender Action Plan includes specific activities (and budget) to ensure gender mainstreaming and women's empowerment. The project contemplates the use of differentiated methodologies to promote the effective participation of community and indigenous women. Component 1 of the project considers a mechanism with a gender and multicultural approach for strengthening governance at the COMUDE and COCODE level. The ESMF includes as exclusion criteria for those activities that increase the gender gap; environmental and social management plans (considering gender equality) will be considered as needed.

8	**SESP Risk 8**: Poorly designed or executed project activities could damage critical or sensitive habitats, including within and adjacent to protected areas and through the introduction of invasive alien species during forest restoration activities.	Moderate The project targets to restore 25,000 ha of degraded ecosystems within and outside public and private protected/areas. There are risks of introducing IAS if the restoration plans for selected areas are not properly formulated. L = 3 I = 3	The project design includes activities to minimize this risk, particularly through Component 3, including reference to the fact that the restoration actions will only use native species after analyzing the capacity of the existing nurseries in the project landscape to provide the necessary native vegetative material. CONAP guidelines will be followed regarding invasive alien species; in addition, the ESMF includes exclusion criteria regarding non-conversion or degradation of critical habitats, and introduction of invasive alien species. The ESMF foresees an Environmental and Social Impact Assessment for activities at the field level, if necessary. INAB as the governing body for forests will supervise and provide technical guidelines for restoration.
9	**SESP Risk 9**: Changes to land use plans could have unintended negative social and/or environmental impacts if poorly designed or executed (upstream impacts).	Moderate The project will integrate social and environmental considerations into Municipal Development and Land Use Plans (PDM-OT) and micro-watershed management plans to harmonize environmental conservation with development. L = 3 I = 3	The update of six (6) PDM-OT and the development of five (5) micro-watershed management plans will be done through a participatory process. The Comprehensive Stakeholder Engagement Plan and the IPPF include procedures for developing consultations on activities to be implemented, according to UNDP SES Guidelines. The ESMF foresees an Environmental and Social Impact Assessment for activities at the field level, if necessary.

10	**SESP Risk 10**: Project activities and outcomes will be vulnerable to the potential impacts of climate change.	Moderate The project area is susceptible to hurricanes, tropical storms, landslides, and drought. L = 3 I = 3	Monitoring through the early warning system of INSIVUMEH and CONRED, which are linked to the National Climate Change Information System (SNICC) operated by the MARN and the project's spatial verification system for changes in land use in the project landscape (Component 2). Periodic reports form these monitoring systems will be taken into account as part of the adaptive management strategy of the project. The ESMF foresees an Environmental and Social Impact Assessment for activities at the field level, if necessary. The risk mitigation strategy is supported by the following assessment[17]: Threats and vulnerability: The most recent official data (INSIVUMEH, 2018) on future climate projections for the Eastern region of the country where the project landscape is located, indicate that there will be marked variability between 2030- 2040 with a decrease in seasonal annual rainfall, and 2040-2050 with an increase in rainfall; temperature projection scenarios from 2020 to 2090 show increases for the region. Decrease in water availability is expected for the department of Zacapa, including an extension of the semi-arid zone. These data coincide with those of the Climate Risk and Adaptation Country Profile (GFDRR, 2011), which indicate that, as yet it is not possible to get a clear picture for precipitation change for Guatemala under a future climate scenario. This is due to large model uncertainties, with multi-model analyses suggesting a drying trend, and some individual models suggesting a more humid future. What is clear, however, is that Guatemala will experience increased climate variability and extreme events. Recent evidence of this is that on November 4th 2020, the tropical depression ETA entered Guatemala, causing widespread damage in the country and a State of Calamity was declared in several departments, including Izabal and Zacapa; these departments were also subsequently affected by the tropical phenomenon IOTA. A report prepared by MAGA (2020) indicated that crops such as corn, beans, plantain, banana and coffee (all considered in the project) were among the most affected by these storms; the report emphasizes that the impacts should not be limited only to agricultural damage, but also to loss of the ability to access food, loss of income sources both from the sale of agricultural products and from a reduction in the opportunity to hire labor in the sector, loss of assets and increases in prices at the local level, among others. It is emphasized that many of the communities in the project landscape were already among the country's most vulnerable population (families classified by MAGA as of subsistence nature) since March due to the COVID-19 pandemic. Based on the previous analysis, the moderate risk rating for the project seems appropriate based on the

11	**SESP Risk 11**: Workers in commodity supply chains (including producers) might be exposed to hazards common to those sectors, including exposure to chemical inputs (pesticides, fertilizers) that might be subject to international bans.	Moderate The use of chemical inputs (pesticides, fertilizers) is common practice in agricultural production in the prioritized landscape L = 2 I = 3	Agrocaribe/AgroAmerica has taken steps to reduce the exposure of workers to chemical inputs and other elements as part of the Roundtable on Sustainable Palm Oil (RSPO) certification. The ESMF foresees an Environmental and Social Impact Assessment for activities at the field level, if necessary. The project will promote Best Agricultural Practices (BAPs) on farms. As part of BAPs, farmers (including women[18]) will be trained to appropriately equip themselves against exposure of hazardous materials. Additionally, BAPs will prescribe appropriate types and doses of agrochemicals that are not internationally banned or pose potential risks and vulnerabilities related to occupational health. Issues related to overuse of water (e.g., palm oil production in large farms) and the potential release of non-hazardous and hazardous pollutants into the environment will be addressed as part of the BAPs. The ESMF includes exclusion criteria on the purchase of agrochemicals, and activities in violation of international labor standards regarding safety.
12	**SESP Risk 12**: The release of non-hazardous and potentially hazardous pollutants and the significant consumption of water could result from project support to sustainable commodities in the target landscape.	Moderate Coffee and palm oil production may generate wastes and may use large volumes of water not properly managed or under drought conditions. L = 2 I = 3	
13	**SESP Risk 13:** The proposed project may result in actions that would potentially adversely impact ceremonial sites or traditional cultural practices.	Moderate There are ceremonial sites in the project area. L = 2 I = 3	A map of sacred sites in the project landscape will be developed; activities in these places or in their vicinity will be minimize, if not avoid.
14	**SESP Risk 14:** The proposed project may use traditional knowledge to implement sustainable food production systems.	Moderate The project may use traditional knowledge as part of pilot initiative for crops with high protein values that contributes to food and nutritional security, and for implementing sustainable food production systems as part of integrated landscape management. L = 4 I = 2	The risk will be addressed within the ESMF and further assessed during the ESIA.

15	**SESP Risk 15:** the project may follow national policy/guides that do not meet the SES requirements.	Moderate The project will Implement the MARN?s Environmental Guides for palm oil and coffee, and secondary support to banana crops and cattle ranching. L = 3 I = 3	The risk will be addressed within the ESMF and further assessed during the ESIA.
16	**SESP Risk 16**: There are various unknown risks associated with activities that have not yet been fully defined.	Moderate The full extent of project activities will be known only during project implementation as the specific project sites for project implementation are not yet known and consultations with stakeholders will continue during the first year o f the project. L = 3 I = 3	The potential risks associated with activities that have not yet been fully define will be assessed during the first year of project implementation and as part of a consultation process with project stakeholders. These potential risks will be addressed during the ESIA, and included in the ESMP as determined necessary.
17	There are no agreements between the government, civil society and the production sectors that allow promoting sustainable food production systems and reducing deforestation and land degradation.	Moderate The lack of agreements, in addition to impacting the fulfillment of project indicators and goals, could affect the credibility of the partners. P = 2 I = 5	The government partners and production sectors are already part of the project from its design, so it is expected that although there may be some initial delays, the agreements will be finalized. The agreements will be established within the framework of the country's legal and policy framework, and will be promoted within existing coordination mechanism (e.g., National Restoration Roundtable for the Forest Landscape)
18	The economic benefits for small and medium producers cannot be achieved due to market limitations (low demand, unfavorable prices, etc.).	High Beneficiaries who most need support (including indigenous peoples and women), may most impacted because their livelihoods and production systems are not very resilient. P = 3 I = 4	The project will mitigate this risk by promoting multiple economic incentives, facilitating possible government subsidies (for example, through technical assistance), and diversifying agricultural production with sustainable value chains.

19	Due to the COVID-19 pandemic, there may be delays in the execution of some project activities, particularly in the field, and low budget execution in the early stages of project implementation.	Moderate Initial arrangements and inter-institutional coordination with government partners at the national level may be delayed. At the field level, activities could be postponed and even come to a halt due to restrictions in movement between departments and curfews at the municipal level. L = 3 I = 3	To mitigate this risk and taking into account the government regulations, meetings with partners (Project Board, TAC, etc.) at the central level will be held through virtual platforms. If it is not possible to work in the field, activities will be rescheduled and carried out remotely, as feasible (telephone communications, forums, online/Website, network exchanges, etc.). The planned activities will be evaluated quarterly with the project partners; adaptive management will be used, as needed. Apply UNDP corporate tools for COVID-19 risk management, including UNDP?s response offer on green recovery. The risk mitigation strategy is supported by the following assessment: a) Current Context: At the national level, the government has established a COVID-19 Dashboard that is updated every two weeks depending on the number of new cases per 100,000 inhabitants. Two of the project municipalities are on maximum red alert (Puerto Barrios and Zacapa); three municipalities in high orange alert (Morales, Los Amates and Gual?n); and one on moderate yellow alert (La Uni?n). Statistics at the country level also indicate that COVID-19 has affected men ages 20-39 the most. b) Possible consequences and importance: Although there is no disaggregation data by municipality, it is estimated that at the level of project beneficiaries, small producers, women and indigenous peoples have been among the groups most affected, rather than by contagions due to the restrictions of transportation and markets for marketing, and in the case of women due to the loss of informal jobs and together with girls, due to the crisis of care. With regard to partners at the central level, based on the experience of other projects, the virtual relationship has been more manageable, although limitations to mobilization and meetings have also imposed challenges in supervision and M&E of activities in the field. Regarding government co-financing, when the project begins, adjustments will have to be made in terms of the dedication of time and effort initially planned. It is likely that with private sector partners there will be less impact on co-financing, given that they have already been adapting to the restrictions of the pandemic in their production systems and have greater resources and capacities in the field. c) Dealing with identified likely impacts during project implementation: In line with the Analysis of the effects and socioeconomic impacts of COVID-19 in Guatemala (SNU, 2020), during the implementation of the project a particular effort will be made to facilitate access to information to the most affected beneficiaries in the field, strengthening a strategy of communication between decision makers at the government level and their representative

103. Risks and risk management measures have been fully incorporated into UNDP?s Risk Register (please see Annex 6 of the UNDP-GEF Project Document for details), as well as risk monitoring mechanisms. As per standard UNDP requirements, the Project Coordinator will monitor risks quarterly and report on the status of risks to the UNDP Country Office, which will record progress in the UNDP ATLAS risk register. Risk mitigation measures are also addressed through the Comprehensive Stakeholder Engagement Plan, the Gender Action Plan, and the IPPF/ESMF. In addition, the SESP is included as Annex 5 of the UNDP-GEF Project Document.

---

[17] Sources: a) Variabilidad y Cambio Clim?tico en Guatemala (INSIVUMEH, 2018; available at https://www.marn.gob.gt/Multimedios/13247.pdf); b) Informe de da?os ocasionados por las depresiones tropicales ETA e IOTA (MAGA, 2020; available at https://precios.maga.gob.gt/novedades/informe-de-da?os-ocasionados-por-las-depresiones-tropicales-eta-e-iota-y-an?lisis-de-las-principales-variaciones-de-precios-en-mercados-mayoristas-en-guatemala/); and c) Climate Risk and Adaptation Country Profile (GFDRR, 2011) https://climateknowledgeportal.worldbank.org/sites/default/files/2018-10/wb_gfdrr_climate_change_country_profile_for_GTM.pdf (World Bank?s Climate Change Knowledge Portal as per STAP guidance).

[18] Women also use agrochemicals and often only men are trained.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

104. At the request of MARN, IUCN will serve as Executing Agency and will provide administrative, financial and technical assistance during project implementation. Due to Guatemala?s current legal framework for national budgeting, channeling international funds for MARN implies including it in the national budget, presenting challenges with timely budget execution, procurement processes, amongst others. IUCN has a long-standing presence in Guatemala through its national Office working with local and national Governments and NGOs in field projects. As an active member of IUCN and GEF focal point, MARN will lead country ownership efforts: i) as chair of the project?s Steering Committee as the overarching governance entity, ii) oversight of project activities and execution under the Vice Ministry of Climate Change with a direct management line to the Project?s coordinator; iii) approval of goods and services procurement, actively engaging the Finance Department of MARN; and iv) close coordination with regional offices of MARN and other national agencies

105. Moreover, the close collaboration of IUCN as a GEF Agency working hand in hand with MARN will strengthen MARN capacities, given that IUCN policies are consistent with GEF standards regarding financial, accountability, social and environmental safeguards among others. This coordination of project activities on a daily basis with MARN different offices will result in a set of guidelines and workflows that can in turn be institutionalized for future GEF projects. Finally, IUCN role as a convening actor for different stakeholders including private sector, government and indigenous peoples, will be translated into stronger capacities through activities envisaged under Component 4 of the project, where experiences will be shared at national and international levels.

106. The Project will have a Project Board/Steering Committee made up of the main partners including the MARN, other government agencies (e.g., CONAP. INAB, MAGA, and Segepl?n), the private sector, UNDP, IUCN, and representatives from project beneficiaries (e.g., coffee and palm producers, CSOs, and community representatives including indigenous peoples), which will be responsible for overall project coordination and providing strategic guidance to the project, as well as the

approval of the Annual Work Plans, among others. In addition, a Technical Advisory Committee (TAC) and Local Support Committees (Izabal and Zacapa), will allow coordinating technical aspects of project implementation at the national and local levels and which will be made up of technical counterparts of the same institutions of the Project Board, and technical staff from other relevant institutions and civil society partners. Institutional arrangements are described in detail in Section VIII: Governance and Management Arrangements of the UNDP-GEF Project Document. The updated description of the coordination with other relevant GEF-financed and other initiatives in follows:

107. Actions will be coordinated with the GEF-UNDP project *Sustainable and resilient landscapes in the central volcanic chain* (GEF Project ID 9059). This project will mainstream biodiversity conservation and sustainable land management objectives into production landscapes of the Central Volcanic Mountain Range in Guatemala, contributing to the welfare of local populations and the delivery of multiple global environmental benefits. Experiences and best practices related to sustainable coffee production, the consolidation of biological corridors, the protection of endangered species, and the implementation of PES schemes will be exchanged. In addition, actions for capacity building at the local level will be coordinated on common issues between the two projects. In addition, as part of this project methodologies were developed for the implementation of LMTs; these methodologies will be adapted as needed for restoration activities using LMTs to be implemented as part of this Child Project.

108. Complementarity will be generated with the GEF-UNDP *Integrated Environmental Management of the R?o Motagua Watershed* (GEF Project ID 9246). This project aims at improving the integrated management of the R?o Motagua watershed and reducing land-based sources of pollution and produced emissions from unintentional formed persistent organic pollutants to mitigate impacts on coastal-marine ecosystems and the livelihoods of the local populations. Actions related to FOLUR will be coordinated based on the integrated management plan of the MRW that is being developed by this project under the GEF International Waters Focal Area.

109. Synergies will be established with the Green Climate Change project *Building livelihood resilience to climate change in the upper basins of Guatemala?s highlands* coordinated by IUCN. This project aims to reduce the impacts of climate change on the hydrological cycle in target highland watersheds through improved land use practices. Information will be exchanged on the implementation of silvopastoral and agroforestry systems using permanent crops and the protection of key ecosystems for water recharge, among other topics.

110. Likewise, synergies will be established with the project *Regional coastal marine biodiversity conservation* (2018-22), with actions in the Honduras-Guatemala border, funded by the United States Agency for International Development (USAID) and technical support from IUCN. The project's actions aim to contribute to the conservation of the biodiversity of marine-coastal ecosystems in Central America, improving the livelihoods of communities through bio-commerce, strengthening the regulatory framework of governance for biodiversity conservation and increasing the use of practices of sustainable landscape management.

111. Synergies will be established with the National Information System for Climate Change (SNICC) operated by the MARN to exchange information regarding climate change and variability in the project area. This information will allow assessing how climate change may impact project activities and outcomes.

112. The project will ensure complementarity and coordination with the USAID Feed the Future initiative/Guatemala Food Security Strategy Country Plan 2018-2022. Feed the Future provides support to coffee farmers in western Guatemala in agricultural practices for crop management, post-harvest handling, and integrated pest management, as well as access to markets. Lessons learned and best practices will be exchanged between the Feed the Future initiative and project proposed herein on these topics, and efforts will be coordinated for complementary training, technical assistance, and gender equality, etc.

113. Finally, coordination and knowledge sharing with the other 17 Child Projects of the FOLUR IP will be achieved through the participation in the FOLUR IP Global Platform, the global Green Commodities Community (GCC), and the UNDP Green Commodities Programme.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

114. The project is consistent with the National Biodiversity Strategy and Action Plan (NBSAP) 2012-2022 (Resolution 01-16-2012 of the CONAP), particularly with Strategic Line 3: Sustainable Productive Landscapes and Territorial Planning for Conservation and Development (Strategic Objectives 6, 7, 8 and 9 [13 actions]); Strategic Line 4: Reduction of threats; and Strategic Line 5: Restoration of biodiversity and ecosystem services (Strategic Objectives 10 and 11 [6 actions]).

115. Guatemala is a Party to the United Nations Convention to Combat Desertification (UNCCD), which became effective through Decree Law number 13-98 of the Congress of the Republic on March 25, 1998. National priorities related to the UNCCD are outlined in the National Action Program to Combat Desertification and Drought (PROANDYS) developed in 2001. Accordingly, the project is consistent with the PROANDYS, particularly Component 6.8.2, Natural Resources Conservation (and the actions that promote the rational use and management of resources: soil, water, forest, and wildlife) and Component 6.8.3, Production Activities (activities that are in balance with the environment and demand for products and services of the national and international markets). The PROANDYS has the general objective of "establishing the set of necessary national actions that allow us to face desertification and mitigate the effects of drought, in such a way that the recovery of degraded lands, the rehabilitation, restoration, conservation, and management of natural ecosystems is achieved, as well as the promotion of the quality of life of the affected population.? The project will contribute to this objective through the rehabilitation of degraded lands in the prioritized landscape in the MRW, and contributing to the rehabilitation, restoration, conservation, and management of natural ecosystems in production lands and areas of connectivity. Guatemala has not yet defined LDN targets; thus, the project alignment with LDN targets cannot be defined at this time. This response is also aligned with the National Strategy for the Restoration of the Forest Landscape, particularly with Thematic Axis 1: Economic Development based on the Restoration of the Forest Landscape; with the National REDD+ Strategy of Guatemala (ENREDD+), strategic lines for deforestation and restoration of forests and degraded lands, and its support programs such as the Forest Investment Program. Additionally, it is in line with the K'atun 2032 National Development Plan, with 56% of the 66 public policies in force as of 2019 and with the National Planning System, specifically with the guidelines for the development of the PDM-OT. It is in line with Guatemala?s Second National Communication on Climate Change (2015), particularly with actions geared towards climate change mitigation and the objectives of the land use sector to reduce net greenhouse gas (GHG) emissions for the 2016-2020 time period. In addition, it is consistent with the Nationally Determined Contribution (NDC; 2017) particularly the climate change mitigation actions for the land use and change in land use sectors for land, forests, and agriculture. The project is also aligned with the following priorities approved by the National Council for Urban and Rural Development (CONADUR): a) Reduction of poverty, b) Availability and access to water and management of natural resources, c) Promotion of investment and employment, d) Food and nutritional security, e) Economic value of natural resources, and f) land use planning. Finally, under the Bonn Challenge Guatemala has committed to restore 1.2 million ha of deforested and degraded areas; restoration activities to be implemented by the project will contribute to country?s commitment under the Bonn Challenge.

116. The project will also contribute to the following Sustainable Development Goals (SDGs): 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture), 5 (Achieve gender equality and empower all women and girls), 12 (Ensure sustainable consumption and production patterns), 13 (Take urgent action to combat climate change and its impacts), 15 (Protect,

restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss), and 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development).

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

117. Knowledge management will be achieved through a national-level platform for information and knowledge exchange. The national-level platform, which will operate on-line, will be designed and operationalized during project implementation, the details on the process to capture, assess, document, and share information, lessons, and best practices, in a user-friendly manner, and expertise generated from the Guatemala child project, other child projects participating in the FOLUR IP, and other similar initiatives in the region, will be provided as part of the design of the national-level platform for knowledge management. The national information exchange platform will be coordinated by the MARN with support from the institutions that also form part of the GCI (CONAP, INAB, MAGA), as well as the private sectors (especially palm oil and coffee), and the parts of society represented by NGOs and CSOs, including women's and indigenous organizations. A campaign will be carried out to publicize the platform and a user guide will be developed to access it and exchange information. In addition, periodic newsletters will be disseminated through email and social media (Facebook, Twitter, Instagram, WhatsApp, etc.) to inform registered users of new information available.

118. The national information exchange will consider direct links to the project?s communication strategy, which is part of the projects? Comprehensive Stakeholder Engagement Plan included in the UNDP-GEF ProDoc as Annex 8. Given the diversity of the project stakeholders, the communications strategy will use informational formats that are considered to be optimal for contributing to the greatest understanding and appropriation of the project by the project stakeholders. This will be especially important for the indigenous peoples that should use interpreters if needed. The communication formats to be used for the different stakeholders will include: 1) project website and social networks; 2) brochures, bulletins, and news announcements; 3) radio, TV, and local newspapers; 4) meetings and presentations; 5) Project monitoring reports; and 6) and personal communications.

119. The national platform for information exchange run by MARN will collaborate with the FOLUR Global Platform to give its registered participants the opportunity to become member-practitioners of the global Green Commodities Community. This will allow registered participants to engage in technical dialogue, access best practice materials, share experiences, profile their project work, and learn from other commodities and landscapes on issues related to the FOLUR.

120. In addition, a South-South cooperation for exchanging knowledge about value chains, best practices, and market opportunities for sustainable food production systems, among other topics, will be achieved principally through interaction of the project with the FOLUR Global Platform, which groups together the other countries participating in the IP.

121. The project budget and timeline for knowledge management is:

- ? Regional Communicator: Develop and implement the communication strategy and support of communication campaigns in order to achieve the project objectives at different levels and sectors. Management of social networks, media, and website. USD 141,960 during 7 years.
- ? Monitoring, Evaluation and Knowledge Management Specialist: Systematize lessons learned annually and periodically produce analytical reports, including learning and other knowledge management products. Coordination with the FOLUR Global Platform. Total cost: USD 141,098 during 7 years.

? Information Management Expert. Design and put into operation the national-level knowledge exchange platform in coordination with MARN and conduct an awareness-raising campaign to publicize the platform. Design the project's web page. Total cost: $28,000. Years 1 and 2.

? Travel costs related to global knowledge management including experience sharing with the FOLUR Global Platform. Total cost: USD 250,000 during 7 years. Knowledge events will include an annual FOLUR global event with all country projects, an annual regional event of FOLUR, and an annual event related with the prioritized commodities (palm oil and coffee), among others.

? Annual production of knowledge management products. Total cost: USD 42,000 during 7 years.

? Total budget: $603,058.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Monitoring and Evaluation Plan and Budget:		
GEF M&E requirements	**Indicative costs (US$)**	**Time frame**
Inception Workshop	5,000	Within 60 days of CEO endorsement of this project.
Inception Report	None	Within 90 days of CEO endorsement of this project.
M&E of GEF core indicators and project results framework	56,440	Annually and at mid-point and closure.
GEF Project Implementation Report (PIR)	None	Annually typically between June-August
Monitoring of IPPF/IPP, Gender Action Plan, Comprehensive Stakeholder Participation Plan, and ESMF.	70,000	On-going.
Supervision missions	None	Annually
Independent Mid-term Review (MTR)	47,515	09/2024
Independent Terminal Evaluation (TE)	47,515	06/2028
TOTAL indicative COST	**226,470**	

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

122. The socioeconomic benefits to be delivered by the project at the national level consist of enhancing capacity of staff from public institutions (e.g., MARN, CONAP, INAB, MAGA, and Segepl?n) for promoting sustainable production, biodiversity conservation, SLM, mitigation and adaptation to the impacts of climate change on land use planning, and for production-conservation conflicts, among other topics. At the local level, local governments and palm oil, coffee, and agroforestry producers, as well as small-scale producers of corn, beans, fruit trees, and other crops with high nutritional value and medium-scale cattle ranchers, will also participate in this training. In total, training activities will benefit 7,865 people, including women and indigenous peoples. The project will also strengthen local planning processes and governance for implementing ILM systems; this will include developing/updating and implementing five (5) micro-watershed management plans, six (6) PDM-OTs and PEI-POM-POAs at the municipal level, the operational strengthening of departmental, municipal, and community councils, and of governance associations of the MRW and micro-watersheds for implementing ILM systems. The project will strengthen and promote the diversification of coffee farming as a sustainable food production system, improving shaded areas through improved forest cover practices and fruit trees that will ensure the continuity of the coffee crop as an agroforestry system free from deforestation. This will benefit 1,502 coffee producers, including those most vulnerable to the impacts of the COVID-19 pandemic. Through an inclusive technical assistance program for palm oil, the project will benefit eight (8) producers covering 16,879 ha of palm oil plantations, to strengthen their socio-environmental responsibility and promote new sustainable food production systems in the direct areas of influence of the these plantations, thereby benefiting 2,000 small farmers. In addition, an inclusive production program to address production activities identified as causing deforestation and environmental degradation, primarily subsistence crops and cattle ranching, will result in sustainable food production systems with a focus on integrated landscape management that will benefit an additional 225 farmers. The project will also make available national forest cash incentives such as PINPEP and PROBOSQUE and other financial mechanisms (i.e., government, private, municipal, etc.) that will promote the conservation and restoration of natural habitats. These incentives are expected to benefit 3,344 small- and medium-scale producers and to contribute to the delivery of global environmental benefits such as enhanced habitat for biodiversity, restoration of degraded lands, and mitigation of climate change. In total, the project will directly benefit 12,966 people (40% women and 60% men).

123. The expected economic benefits the project will generate include cash incentives to producers through the PINPEP and PROBOSQUE programs. The PINPEP program is directed to beneficiaries and landholders who lack legal ownership titles in the municipalities that are prioritized according to their levels of poverty. This program covers agroforestry activities, forest plantations (only native species will be used in this project), and forest management activities to reverse the processes of deforestation, reduce vulnerability to extreme weather events, mitigate or adapt to the effects of climate change, and reduce the level of extreme poverty in the country. Projects usually receive payments during 6 to 10 years. On average the PINPEP program has paid the following: a) Incentive amount for managing natural forests for protection purposes per year for 10 years: a) from 0.1 to 5 ha: $370 per ha; b) over 5 ha: $1,853.84 for the first 5 ha + $95.10 per additional ha; and b) Incentive amount for managing natural forests for production purposes (plantations with native species and agroforestry) per year for 10 years: a) from 0.1 to 5 ha: $396.86 per ha; b) over 5 ha: $1,984.28 for the first 5 ha + $110.78 per additional ha.[19]

124. The PROBOSQUE program provides cash incentives for managing natural forests to protect and provide environmental services, establishing and maintaining agroforestry systems, managing natural forests with production aims, and restoring degraded forest lands, among other things. The program is directed to a wide group of stakeholders such as municipalities, CSOs, cooperatives, individuals, and indigenous communities. Payments through the PROBOSQUE program for the restoration of degraded forestlands have averaged $225.54 per ha.[20] At least this level of payments (economic benefits) is expected through the project for those producers that will make use of these incentive programs. In addition, producers will benefit from commercial sales agreements established between national and

international buyers of coffee and national producers for the development of sustainable value chains in the prioritized landscape of the MRW. Finally, coffee growers may benefit from the certification (premiums); benefits from coffee certified as sustainable will depend on market conditions.

125. Other project benefits include improved water supply for producers and other stakeholders through the implementation of a pilot scheme for the compensation for water ecosystem services. Finally, through knowledge management activities and products, the project will benefit multiple stakeholders nationally by increasing awareness about mainstreaming biodiversity in production landscapes, SLM, climate change mitigation, and sustainable production; this will be key for replication and scaling-up of successful experiences in other production landscapes and watersheds.

[19] Source: http://portal.inab.gob.gt/index.php/component/content/article/112-servicios/183-pinpep?Itemid=437

[20] Custodio De Leo?n, L. M. 2017. Boleti?n Estadi?stico 1998-2017. Departamento de Incentivos Forestales. INAB Guatemala.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
High or Substantial			

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Describe briefly potential social and environmental risks identified in Attachment 1 ? Risk Screening Checklist (based on any ?Yes? responses). If no risks have been identified in Attachment 1 then note ?No Risks Identified? and skip to Question 4 and Select ?Low Risk?. Questions 5 and 6 not required for Low Risk Projects.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5 below before proceeding to Question 6*			**QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?**
Risk Description	***Impact and Probability (1-5)***	***Significance (Low, Moderate, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.***
Risk 1: Vulnerable or marginalized groups, including indigenous people (e.g., Q?eqchi?, Ch?orti?, and Gar?funa), might not be involved in project design and therefore not engaged in, supportive of, or benefitting from project activities. FPIC has not yet been applied. (Principle 1: q2, q4, q6; Standard 6: 6.1, 6.2, 6.3, 6.4, 6.6, 6.7)	I = 4 P =3	**High**	The project will involve small-scale farmers engaged in palm oil and coffee value chains in the target landscape. During the final design phase of the project (PPG), a preliminary analysis was made of the participation of indigenous people in the production of coffee, palm oil, and other food production systems; a more comprehensive analysis should be carried out during the initial phase of project implementation.	As the project is High risk with potential upstream impacts (Component 1) and downstream impacts (Components 2 and 3), a Strategic Environmental and Social Assessment (SESA) is required for the planning-level activities and an Environmental and Social Impact Assessment (ESIA) is required for the field-level activities. The ESIA will inform the development of the required Environmental and Social Management Plan (ESMP), and the SESA will be the means through which that particular Outcome is delivered. During the PPG, this screening (SESP) was revised and updated based on further assessments and information/details gathered during the course of the project?s development. The

Risk 2: Field-activities related to the value chains of key commodities (palm oil and coffee) could inadvertently support child labor and other violations of international labor standards. (Principle 1: q1; Standard 3: 3.8)	I = 5 P = 3	**High**	Although Guatemala made a significant advancement in efforts to eliminate child labor, children in Guatemala are still engaged in child labor, including coffee production.	probability of risk related to child labor associated particularly with coffee production was updated. Based on the updated screening, an ESMF was written, and to ensure the preparation of the ESIA and ESMP during the project?s implementation. In addition, during the PPG phase of the project, a preliminary analysis was made of the participation of indigenous people in the production of coffee, palm oil, and other food production systems. A more comprehensive analysis should be carried out during the initial phase of project implementation. FPIC was determined to be a requirement, and consultations were conducted with the aim of obtaining initial consent from specific rights holders, as appropriate and in accordance with the requirements of Standard 6. FPIC would then continue during project implementation, following the steps outlined in the ESMF and the IPPF that was prepared as part of the subsequent ESMP and IPP. The following were prepared during the PPG to meet SES requirements: ? ESMF ? Stakeholder analysis and Comprehensive Stakeholder Engagement Plan ? Initial FPIC ? IPPF ? Gender analysis and Gender Action Plan

Risk 3: The project could limit the access of small coffee farmers to natural resources (land and water) within and outside protected areas (PAs) due to increased enforcement of landscape protections and new approaches to land management, potentially causing economic displacement. Principle 1, q3; Standard 1, q1.3, and Standard 5, q5.2, q5.4)	I = 3 P = 3	**Moderate**	Some coffee farmers may be conducting production activities within PAs and access to these areas, or other ecologically sensitive areas, may be restricted on a voluntary basis and/or through incentives to promote sustainable production practices. No physical displacement or relocation is anticipated.	During the development of the project, consultations were held with coffee producers and preliminary restrictive measures were identified jointly with farmers and PA authorities. During the initial phase of project implementation, management measures will be developed through a more complete and meaningful consultation process. The risk will be addressed within the ESMF and further assessed during the ESIA. A Livelihood Action Plan will be included in the ESMP as needed.

Risk 4: Local governments (municipalities and COMUDES) and farmer and community associations (e.g., COCODE and micro-watershed management councils) might not have the capacity to implement project activities successfully using a gender- and multiculturally sensitive approach. (Principle 1: q6)	I = 3 P = 3	**Moderate**	Currently there is weak implementation of national policies at the municipal and community levels due to capacity limitations. This results in inadequate forest and watershed governance, and weak enforcement of agricultural and environmental regulations. Often, the lack of incentives for farmers, traders, buyers, and exporters to focus on conservation and restoration results in weak compliance of sustainability in commodity supply chains.	The design of the project (Component 1) includes several activities to strengthen the governance of forests and micro-watersheds at the local and community levels, which will help reduce this risk. During the PPG, a capacity analysis was carried out using the UNDP Capacity Development Scorecard, which included local governments (including COMUDES) and a group of small producers, mainly coffee and cattle ranchers. This analysis identified weaknesses and proposed actions to strengthen the capacity of these and other stakeholders for the successful implementation of project activities. This risk will be further examined in the course of the ESIA and included in the ESMP as determined necessary. In addition, the project?s IPPF, the Comprehensive Stakeholder Engagement Plan, and the ESMF include a grievance redress mechanism through which complaints or grievances that may arise in relation to the project activities and the executing entities will be managed. The grievance redress mechanism will be disclosed to all the stakeholders during the project inception phase.

Risk 5. Partner institutions may not have sufficient capacities to fulfill their obligations as guarantors of rights during project implementation. (Principle 1: q5)	I = 3 P = 3	**Moderate**	As a direct effect of the weakness of the Government of Guatemala, the project's partner institutions (e.g., MARN, MAGA, INAB, CONAP, and Segepl?n) may have limitations in fulfilling the obligations derived from the execution of the activities anticipated by the project. Among the weaknesses identified, the following is highlighted: shortage of staff; limited financial and material resources; limited presence in communities; weak intersectoral coordination; and weak institutionalization of the human-rights-based approach. These limitations extend to the six municipal governments in the project landscape area and to the government institutions for human rights oversight (e.g., Office of the Human Rights Ombudsman [PDH], Presidential Commission on Discrimination and Racism against Indigenous Peoples [CODISRA], and DEMI). (	The design of the project (Component 1) includes several activities for strengthening the governance of forests and micro-watersheds at the local and community levels, which will help reduce this risk. During the PPG, a capacity analysis was carried out using the UNDP Capacity Development Scorecard with several of the partner institutions of the project (MARN, MAGA, INAB, and CONAP). This analysis identified weaknesses and proposed actions to strengthen the capacity of these stakeholders for the successful implementation of project activities. This risk will be further examined in the course of the ESIA and included in the ESMP as determined necessary.

Risk 6: Existing conflicts related to land use and modes of production could be exacerbated or reignited by project activities. (Principle 1: q8)	I = 1 P = 3	**Low**	The project will promote changes in land use and or modes of production for conservation purposes and/or to adopt sustainable value chains. These changes will be voluntary through conservation and best production practices agreements signed with the producers of palm oil and coffee.	
Risk 7: The proposed project may have adverse impacts on gender equality and/or the situation of women and girls, including women farmers. (Principle 2 Gender, q2, q3, and q4)	I = 3 P = 2	**Moderate**	Due to high levels of poverty in Guatemala, particularly in rural areas, women and girls may suffer the most marginalization and deterioration of their living conditions.	This risk was assessed as part of the gender analysis for the target landscape, and which includes sex desegregated data. This risk will be managed through the Gender Action Plan that was developed during the final project formulation, and which includes specific activities (and budget) to ensure gender mainstreaming and women's empowerment, and gender-based indicators.
Risk 8: Poorly designed or executed project activities could damage critical or sensitive habitats, including within and adjacent to protected areas and through the introduction of invasive alien species during forest restoration activities. (Standard 1: 1.1, 1.2, 1.3, 1.5, 1.6)	I = 3 P = 3	**Moderate**	The project targets to restore 25,000 ha of degraded ecosystems within and outside public and private protected/areas. There are risks of introducing IAS if the restoration plans for selected areas are not properly formulated.	The project design includes activities to minimize this risk, particularly through Component 3, including reference to the fact that the restoration actions will only use native species after analyzing the capacity of the existing nurseries in the project landscape to provide the necessary native vegetative material for to implement the restoration actions. This risk will be further examined in the course of the ESIA and included in the ESMP as determined necessary. -

Risk 9: Changes to land use plans could have unintended negative social and/or environmental impacts if poorly designed or executed (upstream impacts). (Standard 1: 1.11)	I = 3 P =3	**Moderate**	The project will integrate social and environmental considerations into Municipal Development and Land Use Plans (PDM-OT) and micro-watershed management plans to harmonize environmental conservation and the adoption of sustainable food production systems with development objectives at the local level.	The update of six (6) PDM-OT and the development of five (5) micro-watershed management plans will be done through a participatory process to reduce this risk. In addition, it will be managed in the course of the SESA, and has been included in the ESMF.
Risk 10: Project activities and outcomes may be vulnerable to the potential impacts of climate change. (Standard 2: 2.2; Standard 3: 3.5)	I = 3 P =3	**Moderate**	The project area is susceptible to hurricanes, tropical storms, landslides, and drought.	This risk will be monitored through the SNICC operated by the MARN and the project's spatial verification system for changes in land use in the project landscape (Component 2). Periodic reports from these monitoring systems will be taken into account as part of the adaptive management strategy of the project. This risk will be examined in the course of the ESIA and included in the ESMP as determined necessary.
Risk 11: Workers in commodity supply chains (including producers) might be exposed to hazards common to those sectors, including exposure to chemical inputs (pesticides, fertilizers) that might be subject to international bans. (Standard 3: 3.7; Standard 7: 7.3, 7.4)	I = 3 P = 2	**Moderate**	The use of chemical inputs (pesticides, fertilizers) is common practice in agricultural production in the prioritized landscape of the MRW.	During the design phase of the project, it was verified that steps have been taken in oil palm plantations to reduce the exposure of workers to chemical inputs and other elements that are part of this production system. This is part of the Roundtable on Sustainable Palm Oil (RSPO) certification, which all oil palm plantations in the project have adopted. However, this is not necessarily the case for coffee crops or other food production systems.

Risk 12: The release of non-hazardous and potentially hazardous pollutants and the significant consumption of water could result from project support to sustainable commodities in the target landscape. (Standard 7: 7.1, 7.2, 7.5)	I = 2 P = 3	**Moderate**	Coffee and palm oil production may generate wastes and may use large volumes of water not properly managed or under drought conditions.	The final design of the project includes activities to equip the target agricultural producers with training on application of Best Agricultural Practices (BAPs) on farms. As part of BAPs, farmers will be trained to appropriately equip themselves against exposure of hazardous materials. Additionally, BAPs will prescribe appropriate types and doses of agrochemicals that are not internationally banned or pose potential risks and vulnerabilities related to occupational health. This risk will be further assessed in the course of the ESIA, and included in the ESMP as determined necessary. Issues related to overuse of water (e.g., palm oil production in large farms) and the potential release of non-hazardous and hazardous pollutants into the environment from food production systems will be assessed in the course of the ESIA, and included in the ESMP as determined necessary.
Risk 13: The proposed project may result in actions that would potentially adversely impact ceremonial sites or traditional cultural practices. (Standard 4: 4.1)	I = 3 P = 2	**Moderate**	There are ceremonial sites in the project area; in the departments of Zacapa and Izabal there are official records of 189 sacred sites. During the project implementation phase, an inventory of sites will be made in order to prevent activities from taking place in or near these sites.	This risk was updated during the project design phase as a result of consultations with indigenous peoples. As part of the mitigation measures during the project implementation phase, a map of sacred sites in the project landscape will be developed and considered as part of the FPIC to minimize, if not avoid, activities in these places or in their vicinity. This risk has been addressed through the IPPF and the ESMF. In addition, it will be evaluated in the course of the ESIA, and included in the ESMP and IPP as determined necessary.

Risk 14: The proposed project may use traditional knowledge to implement sustainable food production systems (Standard 4: 4.2)	I = 2 P = 4	**Moderate**	The project may use traditional knowledge as part of pilot initiative for crops with high protein values that contributes to food and nutritional security, and for implementing sustainable food production systems as part of integrated landscape management	The risk will be addressed within the ESMF and further assessed during the ESIA. In addition, intellectual property rights mechanisms and agreements to protect traditional knowledge should be developed and agreed by parties involved.
Risk 15: The project may follow national policy/guides that do not meet the SES requirements	I = 3 P = 3	**Moderate**	The project will Implement the MARN?s Environmental Guides for palm oil and coffee, and secondary support to banana crops and cattle ranching	The risk will be addressed within the ESMF and further assessed during the ESIA.
Risk 16: There are various unknown risks associated with activities that have not yet been fully defined.	I = 3 P = 3	**Moderate**	The full extent of project activities will be known only during project implementation as the specific project sites for project implementation are not yet known and consultations with stakeholders will continue during the first year of the project	The potential risks associated with activities that have not yet been fully defined will be assessed during the first year of project implementation and as part of a consultation process with project stakeholders. These potential risks will be addressed during the ESIA, and included in the ESMP as determined necessary.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
PIMS 6367 ESMF_GEF7 FOLUR Guatemala_April 2021	**CEO Endorsement ESS**	
PIMS 6367 SESP FOLUR Guatemala_April2021	**CEO Endorsement ESS**	

Title	Module	Submitted
PIMS 6367_ESMF_GEF7 FOLUR IP Guatemala_2NOV2020 (1)	**CEO Endorsement ESS**	
SESP	**CEO Endorsement ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

This project will contribute to the following Sustainable Development Goal (s): 2 (zero hunger), 5 (gender equality), 12 (responsible consumption and production), 13 (climate action), 15 (life on land), and 17 (partnerships for the goals)				
This project will contribute to the following country outcome (UNDAF): 1. Impoverished rural populations develop new sustainable economic opportunities to compete in market systems; 2. The Urban and Rural Development Councils system and related government institutions work together to develop policies and investments that promote the protection, responsible use, and conservation of natural resources, as well as resilience of the community in dealing with natural climate events; 3. Households in rural areas achieve food and nutritional security, with a comprehensive and sustainable approach The project contributes to the UNDP Strategic Plan 2018-2021 in the areas of development: 1) the eradication of poverty in all its forms and dimensions, and 2) the acceleration of structural transformations for sustainable development; it also contributes to emblematic solutions: 1: keeping people out of poverty; 2: strengthen effective, inclusive and accountable governance; 3: enhance national prevention and recovery capacity for resilient societies and 4: promote nature-based solutions for a sustainable planet.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Project Objective: Promoting sustainable food systems, restoring degraded ecosystems, and reducing deforestation in the Motagua River Watershed (MRW)	**Mandatory** Indicator 1 (GEF Core Indicator 11): # direct project beneficiaries disaggregated by gender (individual people)	? 0	? 4,538 (40% women; 60% men)	? 12,966 (40% women; 60% men)
	Mandatory Indicator 2 (GEF Core Indicator 3; GEB associated to Component 3): Area of land restored (hectares - ha)	? 0	? 8,750 ha	? 25,000 ha

	Mandatory Indicator 3 (GEF Core Indicator 4; GEB associated to Component 2): Area of landscapes under improved practices (excluding protected areas) (ha)	? 0	? 7,760 ha	? 22,179.31 ha
	Mandatory Indicator 4 (GEF Core Indicator 6 GEB associated to Component 3): Greenhouse Gas Emissions Mitigated (metric tons of CO_2e)	? 0	? 1,161,554 metric tons of CO_2e	? 3,318,725 metric tons of CO_2e (6,403,578 metric tons of CO_2e in 20 years)
Project component 1	**Development of integrated landscape management (ILM) systems**			
Project Outcome 1.1 *Key public agencies (MAGA, MARN, MINECO, INAB, and CONAP), the palm oil and coffee sectors, and other food production sectors with improved capacity to coordinate actions, exchange information, and promote sustainable food production systems and the restoration of degraded lands through existing platforms (National Restoration Roundtable for the Forest Landscape, GREPALMA, Anacaf?, and FEDECOCAGUA)*	Indicator 5: Number of producers with management plans to apply environment guidelines for sustainable food production verified by MARN in coordination with the production sector.	? 0	? 150	? 300

Outputs to achieve Outcome 1.1	1.1.1 Existing agreement between MAGA, MARN, and CONAP to promote ILM systems is renewed and strengthened and includes a technical group on FOLUR for interinstitutional collaboration 1.1.2 At least three (3) agreements to promote and implement inclusive ILM systems established amongst the government, civil society (including women groups, indigenous peoples, the youth, academia, and others), producer associations of palm oil, coffee, other food production systems, and producers. 1.1.3. Three hundred (300) environmental assessment instruments[1] for coffee, palm oil, and cattle ranching production units as stated in the MARN?s Sectoral Environmental Guides enabled.			
Outcome 1.2 *Existing platforms (restoration, coffee, palm oil, and other food systems) improve their socio-environmental performance*	Indicator 6: Number of inter-institutional and intersectoral action and monitoring plans for the sustainable production of palm oil, coffee and other key food systems and the conservation and restoration of forests and natural ecosystems with a gender and multicultural approach.	? 0	? 2 (coffee and palm oil)	? 3 (coffee, palm oil, and other food production system to be identified during the first year of project implementation)
Outputs to achieve Outcome 1.2	1.2.1 Inclusive action plans defined include protocols to collect and share environmental and production information, and enhance socio-environmental performance. 1.2.2 Interinstitutional and intersectoral collaboration protocol for the prevention and management of production-conservation conflicts defined. 1.2.3 Mechanism defined for the participation of the coffee and palm oil sectors and other food production systems in the National Restoration Roundtable for the Forest Landscape.			
Outcome 1.3 *Strengthening of local planning processes for implementing ILM systems*	Indicator 7: Number of municipalities that include ILM systems in land use plans (PDM-OT)	? 0	? 2	? 6

	Indicator 8: Number of micro-watershed governance associations created with women and men participation in decision making	? 0	? 2	? 5
Outputs to achieve Outcome 1.3	1.3.1 Five (5) micro-watershed management plans that are multicultural and gender-sensitive developed and implemented. 1.3.2 Gender- and multiculturally sensitive PDM-OTs and their regulatory proposals developed, updated, and/or implemented. 1.3.3. Municipal investment plans (PEI-POM-POA) of six municipalities developed or updated, and implemented with a gender and multicultural approach. 1.3.4. Participatory restoration priority maps for the MRW developed with key stakeholders, including women and indigenous peoples. 1.3.5. A gender- and multiculturally sensitive mechanism established and adopted for the operational strengthening of departmental, municipal and community development councils, and governance associations of the MRW and micro-watersheds.			
Project component 2	**Promotion of sustainable food production practices and responsible value chains**			
Outcome 2.1 *Strengthened capacity to promote sustainable food production practices and responsible value chains*	Indicator 9: Number of coffee producers and of other food systems, disaggregated by gender, who benefit from the mobilization of financial resources (loans and incentives)	Coffee: ? Women: 20 ? Men: 80	Coffee: ? Women: 35 ? Men: 145	Coffee: ? Women: 115 ? Men: 185

	Indicator 10: Staff from public institutions, the private sector, palm oil and coffee producers increase their capacity on sustainable and deforestation-free production systems, access to finance and marketing strategies (capacity gains are measured by the UNDP Capacity Development Scorecard).	? Public institutions (national level): 66% ? Public institutions (regional level): 52% ? Producer associations: 78% ? Producers: 40% ? Municipalities: 25%	? Public institutions (national level): 70% ? Public institutions (regional level): 57% ? Producer associations: 82% ? Producers: 45% ? Municipalities: 31%	? Public institutions (national level): 74% ? Public institutions (regional level): 63% ? Producer associations: 86% ? Producers: 51% ? Municipalities: 39%
Outputs to achieve Outcome 2.1	2.1.1. Inclusive and multicultural comprehensive technical support program to strengthen the coffee value chain implemented. 2.1.2. Inclusive technical assistance program for palm oil producers (e.g., Agrocaribe/AgroAmerica) to strengthen socio-environmental responsibility plans implemented. 2.1.3 Inclusive capacity development program for public institutions, the private sector, palm oil, coffee, and agroforestry producers, and secondary support to other food production systems for small-scale producers and medium-scale cattle ranchers implemented.			
Outcome 2.2. *Reduction of deforestation through sustainable food production practices and responsible value chains*	Indicator 11: Number of commercial sales agreements established between national and international buyers of coffee and national producers for the development of sustainable value chains in the prioritized landscape of the MRW.	? 0	? 3	? 6

	Indicator 12: Number of production units verified as deforestation free	? Coffee: 0 ? Palm oil: 0 ? Other Food Systems: 0	? Coffee: 350 ? Palm oil: 0 ? Other food production systems (cattle ranching and others): 25	? Coffee: 1,500 ? Palm oil: 8 ? Other food production systems (cattle ranching and others): 75
Outputs to achieve Outcome 2.2	2.2.1. Inclusive competitiveness program prioritizing coffee implemented with a gender and multicultural focus, and that considers environmental quality and attributes such as no-deforestation and biodiversity conservation, and the most affected producers by COVID-19. 2.2.2. Marketing strategy for coffee and secondary support for other crops implemented focusing on strengthening attributes for quality and sustainability of ecosystem and social services. 2.2.3. Inclusive production program implemented includes best socio-environmental practices for the main production activities identified as causing deforestation and environmental degradation, subsistence crops and cattle ranching. 2.2.4. Spatial verification system of land use change for palm oil, coffee, maize, beans, and other food production systems (e.g., cattle ranching) operationalized includes training of GIMBUT and municipal environmental officers, the private sector, and civil society.			
Project component 3	**Conservation and restoration natural habitats**			

Outcome 3.1 *National forest incentives and other financial mechanisms contribute to deliver GEBs*	Indicator 13: Presence of key species such as the jaguar (*Panthera onca*); the mantled howler (*Alouatta palliata*); the endangered endemic lizard *Heloderma charlesbogerti*; the golden-winged warbler (*Vermivora chrysoptera);* and six species of endemic amphibians (*Duellmanohyla soralia, Nototriton brodiei, Craugastor nefrens, Cryptotriton monzoni, Bolitoglossa conanti, Craugastor adamastus*).	? *Panthera onca* ? *Alouatta palliata* ? *Heloderma charlesbogerti* ? *Vermivora chrysoptera* ? Six species of endemic amphibians: *Duellmanohyla soralia, Nototriton brodiei, Craugastor nefrens, Cryptotriton monzoni, Bolitoglossa conanti, Craugastor adamastus*	? *Panthera onca* ? *Alouatta palliata* ? *Heloderma charlesbogerti* ? *Vermivora chrysoptera* ? Six species of endemic amphibians: *Duellmanohyla soralia, Nototriton brodiei, Craugastor nefrens, Cryptotriton monzoni, Bolitoglossa conanti, Craugastor adamastus*	? *Panthera onca* ? *Alouatta palliata* ? *Heloderma charlesbogerti* ? *Vermivora chrysoptera* ? Six species of endemic amphibians: *Duellmanohyla soralia, Nototriton brodiei, Craugastor nefrens, Cryptotriton monzoni, Bolitoglossa conanti, Craugastor adamastus*
Outputs to achieve Outcome 3.1	3.1.1. Landscape management tools (micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, agroforestry, and home gardens) implemented for the restoration of degraded ecosystem and agricultural lands. 3.1.2 At least fifty (50) gender- and multiculturally sensitive forest management plans developed to access national forest incentives for conservation and restoration or other economic and market mechanisms and prioritizing local stakeholders most impacted by COVID-19. 3.1.3. Inclusive monitoring, control, and surveillance, and conflict prevention and transformation program defined. 3.1.4. Guidelines developed, with the participation of women, indigenous peoples, and other vulnerable groups, to reduce threats to biodiversity, freshwater systems, and soils in production landscapes. 3.1.5. Pilot scheme for the compensation for water ecosystem services implemented with a gender and multicultural focus contributes to forest conservation. 3.1.6. Tool (e.g., guide, regulation, manual) for compensation schemes for ecosystem services approved by key public institutions in the environmental sector.			
Project component 4	**Project Coordination and M&E**			

Outcome 4.1 *Solutions and good practices shared with the FOLUR Global Platform, Green Commodities Community of Practice, the UNDP Green Commodities Programme, the Conference of the Parties of the Convention on Biological Diversity, the Panorama Portal ?Solutions for a Healthy Planet,? and other global events and communities of practice.*	Indicator 14: Number of presentations (or events) of successful experiences shared in global events and communities of practice	? 0	? 3	? 6
Outputs to achieve Outcome 4.1	4.1.1. Information and knowledge exchange platform at the national level established increases awareness about mainstreaming biodiversity in production landscapes, SLM, climate change mitigation, sustainable production, and gender aspects. 4.1.2. South-south cooperation program to exchange knowledge about supply chain best practices and market opportunities for sustainable food systems implemented. 4.1.3. Knowledge management global platform operationalized disseminates lessons learned and information on FOLUR best practice.			
Outcome 4.2 *Knowledge and lessons learned systematized and disseminated*	Indicator 15: Number of documents per value chain for replication and scaling-up of successful experiences in other production landscapes and watersheds	? Coffee: 0 ? Palm oil: 0 ? Other food production systems (e.g., cattle ranching): 0	? Coffee: 0 ? Palm oil: 0 ? Other food production systems (e.g., cattle ranching): 0	? Coffee: 1 ? Palm oil: 1 ? Other food production systems (e.g., cattle ranching): 1
	Indicator 16: Number of manuals on mainstreaming gender and stakeholder participation (including indigenous peoples) in sustainable food production systems	? 0	? 0	? 1
Outputs to achieve Outcome 4.2	4.2.1. Participatory monitoring system to assess the project?s environmental benefit implemented. 4.2.2. Project gender mainstreaming plan, Indigenous Peoples Plan stakeholder engagement plan, and M&E plan implemented and manual on gender mainstreaming and stakeholder participation in sustainable food production systems developed.			

[1] The Environmental Assessment Instrument is a document that contains a description of the technical aspects of a proposed investment to ensure that a project, work, industry or activity is done in line with the legal, technical, and environmental regulations in order to prevent, correct or mitigate impacts or minimize environmental risks.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Secretariat Comment at PIF/Work Program Inclusion: 04/22/19		
Comment	**Response**	**Reference in CEO Endorsement Document**

6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01) 1. Hectares for core indicators 1,3 and 4: Latest at the CEO endorsement stage, it would be useful to see how these numbers were calculated. We have noticed that some child projects (e.g. Tanzania) have included the entire project area between these indicators, whereas others (e.g. Guatemala) have used hectare values for these indicators that represent a small percentage of the overall project area.	The total area of the project landscape is 506,135 ha; this is higher than the area reported in the approved Child Project concept note (332,014 ha). The increase in area resulted from a spatial assessment conducted as part of the PPG, which included land use and land cover data that allow estimating an optimal area needed to achieve the FOLUR IP objectives. The total area of 506,135 ha also correspond to the area that will benefit from five micro-watershed management plans that will allow harmonizing the conservation of natural resources with palm oil and coffee production and other food production systems (Output 1.3.1), and through six Municipal Development and Land Use Plans (PDM-OT) that will incorporate biodiversity conservation, climate change, SLM, sustainable food production systems, and ILM objectives. The area of land restored (core indicator 3) and the area of landscapes under improved practices, excluding protected areas (core indicator 4) are percentages of this landscape and correspond to specific areas where the project will enhance ecosystem connectivity through restoration and sustainable production practices focusing primarily on coffee and palm oil and with secondary support to cattle ranching and basic grains. The indicators were calculated as follows: Indicator 3. Area of land restored (Hectares): 25,000. Restoration activities using landscape management tools (LMTs) include: a) restoration of natural vegetation and establishment of plantations with native species for production = 11,500 ha; and b) agroforestry and silvopastoral systems with permanent crops, and agroforestry systems with annual crops = 13,500 ha. Indicator 4. Area of landscapes under improved practices (excluding protected areas) (Hectares): 22,179.31. Area of landscapes under improved management to benefit biodiversity = 2,179.31 ha; Area of landscapes under sustainable land management in production systems (including the reduction of surface water and groundwater pollution) = 19,400 ha; Area of High Conservation Value Forest (HCVF) loss avoided = 600 ha.	Part I: Project Information, Table F

Knowledge Management *Is the proposed ?knowledge management (KM) approach? in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project?s/program?s overall impact and sustainability?* By the time of CEO endorsement for the child projects, please provide more details regarding KM actions/arrangements/deliverables proposed at the child project level.	Knowledge management will be achieved through a national-level platform for information and knowledge exchange. The national-level platform, which will operate on-line, will be designed and operationalized during project implementation; the details on the process to capture, assess, document, and share information, lessons, and best practices, in a user-friendly manner, and expertise generated from the Guatemala child project, other child projects participating in the FOLUR IP, and other similar initiatives in the region, will be provided as part of the design of the national-level platform for knowledge management. The national information exchange platform will be coordinated by the MARN with support from the institutions that also form part of the GCI (CONAP, INAB, MAGA), as well as the private sectors (especially palm oil and coffee), and civil society represented by NGOs and CSOs, including women's and indigenous organizations. A campaign will be carried out to publicize the platform and a user guide will be developed to access it and exchange information. In addition, periodic newsletters will be disseminated through email and social media (Facebook, Twitter, Instagram, WhatsApp, etc.) to inform registered users of new information available. The national information exchange will consider direct links to the project?s communication strategy, which is part of the projects? Comprehensive Stakeholder Engagement Plan included in the UNDP-GEF ProDoc as Annex 8. Given the diversity of the project stakeholders, the communications strategy will use informational formats that are considered to be optimal for contributing to the greatest understanding and appropriation of the project by the project stakeholders. This will be especially important for the indigenous peoples that should use interpreters if needed. The communication formats to be used for the different stakeholders will include: 1) project website and social networks; 2) brochures, bulletins, and news announcements; 3) radio, TV, and local newspapers; 4) meetings and presentations; 5) Project monitoring reports; and 6) and personal communications. The national platform for information exchange run by MARN will collaborate with the FOLUR Global Platform to give its registered participants the opportunity to become member-practitioners of the global Green Commodities Community. This will allow registered participants to engage in technical dialogue, access to best practice materials, share experience, profile their project work, and learn from other commodities and landscapes on issues related to the FOLUR. In addition, a South-South cooperation for	8. Knowledge Management.

STAP Comments; Date of Screening: 05/13/2019		
Comment	**Response**	**Reference in CEO Endorsement Document**

1. Project description. ***6) Global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF)*** *Are the benefits truly global environmental benefits, and are they measurable?* The main emphasis is on local and regional benefits, and the resulting GEBs. Little attention is devoted to trade-offs and possibly negative side effects, though social and environmental risks are mentioned in the Risks section. There is little explicit attention to power dynamics, including potential winners and losers from the changes envisioned and how potential conflicts may be addressed. This will be essential to address explicitly during the course of full program development, with regards to each value chain and country project.	The Child Project includes a comprehensive environmental and social safeguards assessment to address trade-offs and potential negatives impacts. An Environmental and Social Management Framework (ESMF) was developed and identifies project activities that may require Environmental and Social impact Assessments (ESIA), Environmental and Social Management Plans (ESMP), and Livelihood Action Plans (for activities that may result in the loss of economic opportunities for small coffee farmers due to increased enforcement of landscape protection and new approaches to land management); these tools will be developed during project implementation as needed. The project also includes the implementation of an inclusive production program for best socio-environmental practices for food production systems that cause deforestation and environmental degradation other than palm oil and coffee, the FOLUR commodities of this Child Project (Output 2.2.3). In the case of palm oil production, plantations have been established on areas previously used for cattle ranching displacing this activity into remaining forested areas within the prioritized landscape to sustain the demand for meat and milk from the local and national markets. Many of these new areas were established on land unsuitable for grazing, causing deforestation and land degradation. Accordingly, the inclusive production program for best socio-environmental practices will address this potential trade-off. Finally, the project includes a production-conservation conflict management strategy as part of the capacity development program (Output 2.1.3). Training modules will be designed and implemented that are geared towards strengthening processes to manage and transform conflict between production and conservation sectors, mainly around issues of wildlife management within production areas, zero-deforestation, habitat fragmentation and protection, ecosystem connectivity, land use planning at the landscape level, areas restricted from expansion for production activities, sustainable water management, conservation and restoration of riparian forests, protection of drinking water sources, soil conservation practices, and reduction in the use of agrochemicals in production systems. In addition, palm oil producers will be trained in aspects related to not expanding areas of cultivation towards native forests and other ecologically sensitive ecosystems. This is based on an analysis to determine ?no-expansion? areas for palm oil plantations in the prioritized landscape performed during the PPG phase, considering the restriction established by national legislation, restrictions through agronomic criteria, and restrictions through	1. Project description. 6) Global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF

What activities will be implemented to increase the project?s resilience to climate change? Climate resilience not addressed in detail, though mentioned in the section on risks. The proposed response to climate change is quite general at this level; more detail expected in development of country projects and in program-level monitoring and targeted capacity support functions.	The following has been considered for this Child project regarding climate resilience: Threats and vulnerability: The most recent official data (INSIVUMEH, 2018) on future climate projections for the Eastern region of the country where the project landscape is located, indicate that there will be marked variability between 2030- 2040 with a decrease in seasonal annual rainfall, and 2040-2050 with an increase in rainfall; temperature projection scenarios from 2020 to 2090 show increases for the region. Decrease in water availability is expected for the department of Zacapa, including an extension of the semi-arid zone. These data coincide with those of the Climate Risk and Adaptation Country Profile (GFDRR, 2011), which indicate that, as yet it is not possible to get a clear picture for precipitation change for Guatemala under a future climate. This is due to large model uncertainties, with multi-model analyses suggesting a drying trend, and some individual models suggesting a more humid future. What is clear, however, is that the future will increase climate variability and extreme events. Recent evidence of this is that on November 4th 2020, the tropical depression Eta entered Guatemala, causing widespread damage in the country and a State of Calamity was declared in several departments, including Izabal and Zacapa; these departments were also subsequently affected by the tropical phenomenon IOTA. A report prepared by Ministry of Agriculture, Livestock, and Nutrition - MAGA (2020) indicated that crops such as corn, beans, plantain, banana and coffee (all considered in the project) were among the most affected by these storms; the report emphasizes that the impacts should not be limited only to agricultural damage, but also to loss of the ability to access food, loss of income sources both from the sale of agricultural products and from a reduction in the opportunity to hire labor in the sector, loss of assets and increases in prices at the local level, among others. It is emphasized that many of the communities in the project landscape were already among the country's most vulnerable population (families classified by MAGA as of subsistence nature) since March due to the COVID-19 pandemic. Based on the previous analysis, the moderate risk rating for the project the seems appropriate based on the IPCC scale for projects, since under the scenario described above there will be eventual impacts of climate change in Izabal (storms or floods) and Zacapa (drought). However, this scenario is considered be manageable and is expected to have limited impact on the project?s outcomes; rather, the project is expected to enhance resilience to future climatic events in the project landscape through actions such as restoration using landscape management tools (LMTs) and improved ecosystem connectivity	

3. Gender Equality and Women?s Empowerment. *Please briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis). Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes/no/ tbd. If possible, indicate in which results area(s) the project is expected to contribute to gender equality: access to and control over resources; participation and decision-making; and/or economic benefits or services. Will the project?s results framework or logical framework include gender-sensitive indicators? yes/no /tbd* *Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?* Yes, including strong intention to develop action plans that address linked dimensions of access to productive assets, inclusive decision-making, and benefit sharing. Gender sensitive indicators are missing ? but dimensions above indicate a suitable framework. Consider applying indicators and measurement protocols of Women?s Empowerment in Agriculture Index (WEAI).	The Child Project includes the following gender sensitive indicators in the Project Results Framework: a. Three (3) inter-institutional and intersectoral action and monitoring plans for the sustainable production of palm oil, coffee and other key food systems and the conservation and restoration of forests and natural ecosystems with a gender and multicultural approach. b. Five (5) micro-watershed governance associations created with women and men participation in decision-making. c. 300 coffee producers and of other food systems (women: 115; men: 185), who benefit from the mobilization of financial resources), who benefit from the mobilization of financial resources. d. 12,966 direct project beneficiaries (40% women, 60% men) e. One (1) manual on mainstreaming gender and stakeholder participation (including indigenous peoples) in sustainable food production systems In addition, the project includes a Gender Action Plan with specific gender sensitive indicators. Thank you for the suggestion for using indicators and measurement protocols of Women?s Empowerment in Agriculture Index (WEAI); however, these were no considered in the case of the Guatemala Child Project. Instead, gender indicators were included in consultation with the project?s stakeholders including women groups.	3. Gender Equality and Women?s Empowerment.

5. Risks. *Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design.* For climate risk, and climate resilience measures: ? *How will the project?s objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately?* Although various longer-term drivers are identified (as summarized in the ?contextual factors?, theory of change Fig.2), their implications are poorly analysed. FOLUR cannot expect to change these, but it can ensure that all projects are thinking about the significance of these factors and whether they mean different approaches might be more robust to future change. This would consider, for example, if future climate may undermine productivity of (or even demand for) a current staple in a region, then either improved management of that staple is addressed as an explicitly interim strategy while other solutions are developed; or improved management might be aimed at a different crop that is robust to the expected change in climate. Either way, at least the project level activities should include discussion of these possibilities early in design. ? *Has the sensitivity to climate change, and its impacts, been assessed?* No climate impact assessment is presented; only the possibility of climate change impacts on productivity and resilience is alluded to. Since impacts will be region and location-specific, climate impact assessments and response strategies will need to be developed in the country projects. ? *What technical and*	The following has been considered for this Child project regarding climate change and risks: Threats and vulnerability: The most recent official data (INSIVUMEH, 2018) on future climate projections for the Eastern region of the country where the project landscape is located, indicate that there will be marked variability between 2030- 2040 with a decrease in seasonal annual rainfall, and 2040-2050 with an increase in rainfall; temperature projection scenarios from 2020 to 2090 show increases for the region. Decrease in water availability is expected for the department of Zacapa, including an extension of the semi-arid zone. These data coincide with those of the Climate Risk and Adaptation Country Profile (GFDRR, 2011), which indicate that, as yet it is not possible to get a clear picture for precipitation change for Guatemala under a future climate. This is due to large model uncertainties, with multi-model analyses suggesting a drying trend, and some individual models suggesting a more humid future. What is clear, however, is that the future will increase climate variability and extreme events. Recent evidence of this is that on November 4th 2020, the tropical depression ETA entered Guatemala, causing widespread damage in the country and a State of Calamity was declared in several departments, including Izabal and Zacapa; these departments were also subsequently affected by the tropical phenomenon IOTA. A report prepared by MAGA (2020) indicated that crops such as corn, beans, plantain, banana and coffee (all considered in the project) were among the most affected by these storms; the report emphasizes that the impacts should not be limited only to agricultural damage, but also to loss of the ability to access food, loss of income sources both from the sale of agricultural products and from a reduction in the opportunity to hire labor in the sector, loss of assets and increases in prices at the local level, among others . It is emphasized that many of the communities in the project landscape were already among the country's most vulnerable population (families classified by MAGA as of subsistence nature) since March due to the COVID-19 pandemic. To reduce the potential impact of climate change on the productivity of coffee, for example the reduction of productivity, the project will promote the adoption of agroforestry systems and the diversification of the crop. This will include improving shaded areas through improved forest cover practices (e.g., landscape management tools) and planting fruit trees and another food production systems intermixed with coffee. Based on the previous analysis, the moderate risk rating for the project the seems appropriate based on the IPCC scale for projects, since under the	5. Risks

8. Knowledge management. *Outline the ?Knowledge Management Approach? for the project, and how it will contribute to the project?s overall impact, including plans to learn from relevant projects, initiatives and evaluations.* **What overall approach will be taken, and what knowledge management indicators and metrics will be used?** KM is a central element of the program. One of the three pillars of the global platform is explicitly devoted to KM and communications. Yet no KM indicators and metrics are specified; these will be needed to prepare more specific KM plans and actions. As noted in the main STAP screen, KM is a central element of the program, and the explicit focus of one of the three global platform pillars. Yet no KM indicators and metrics are specified; doing so will be important to help prepare more specific KM plans and actions. Also, although learning is discussed, it is not yet clear how this learning will be applied to support adaptive management in program implementation, for example using a regular review of the nested theories of change at program and project levels as a structured approach to this. See, for example, Thornton et al (2017) for description of such an approach.	This Child Project includes a Theory of Change in which knowledge is a key pathway of change to achieved project outcomes and long-term outcomes. In addition, the Child Project is aligned with the Program?s KM strategy with specific links to the FOLUR Global Platform so that Child Project stakeholders can engage in technical dialogue, access to best practice materials, share experience, profile their project work, and learn from other commodities and landscapes on issues related to the FOLUR. Also, the Child Project will make use of high-level technical support and advisory services provided by the FOLUR Global Platform including technical assistance and capacity building services to apply FOLUR-related interventions in the project landscapes and coffee and palm oil value chains, and to strengthen landscape management and food/commodity production systems and train national and local stakeholders, including small and medium coffee and subsistence farmers. In addition, the project will make use of the FOLUR Global Platform as a forum for corporate dialogue and engagement, including support for dialogue on sustainability commitments from multinational companies (e.g., Agrocaribe/AgroAmerica and Exportcaf?/ECOM) and the operationalization of these commitments through standards and practices at the production level; and participation in regional gatherings of countries around sustainable palm oil and coffee production, and ILM to showcase success stories to encourage replication of good practices. The Child Project also includes specific KM indicators as follows: a. Six (6) presentations (or events) of successful experiences shared in global events and communities of practice b. One (1) document per value chain (coffee: 1; palm oil: 1; other food production systems [e.g., cattle ranching]: 1) for replication and scaling-up of successful experiences in other production landscapes and watersheds c. One (1) manual on mainstreaming gender and stakeholder participation (including indigenous peoples) in sustainable food production systems	8. Knowledge management.
	US Council Member Comment: June 2019 Work Program	
Comment	**Response**	**Reference in CEO Endorsement Document**

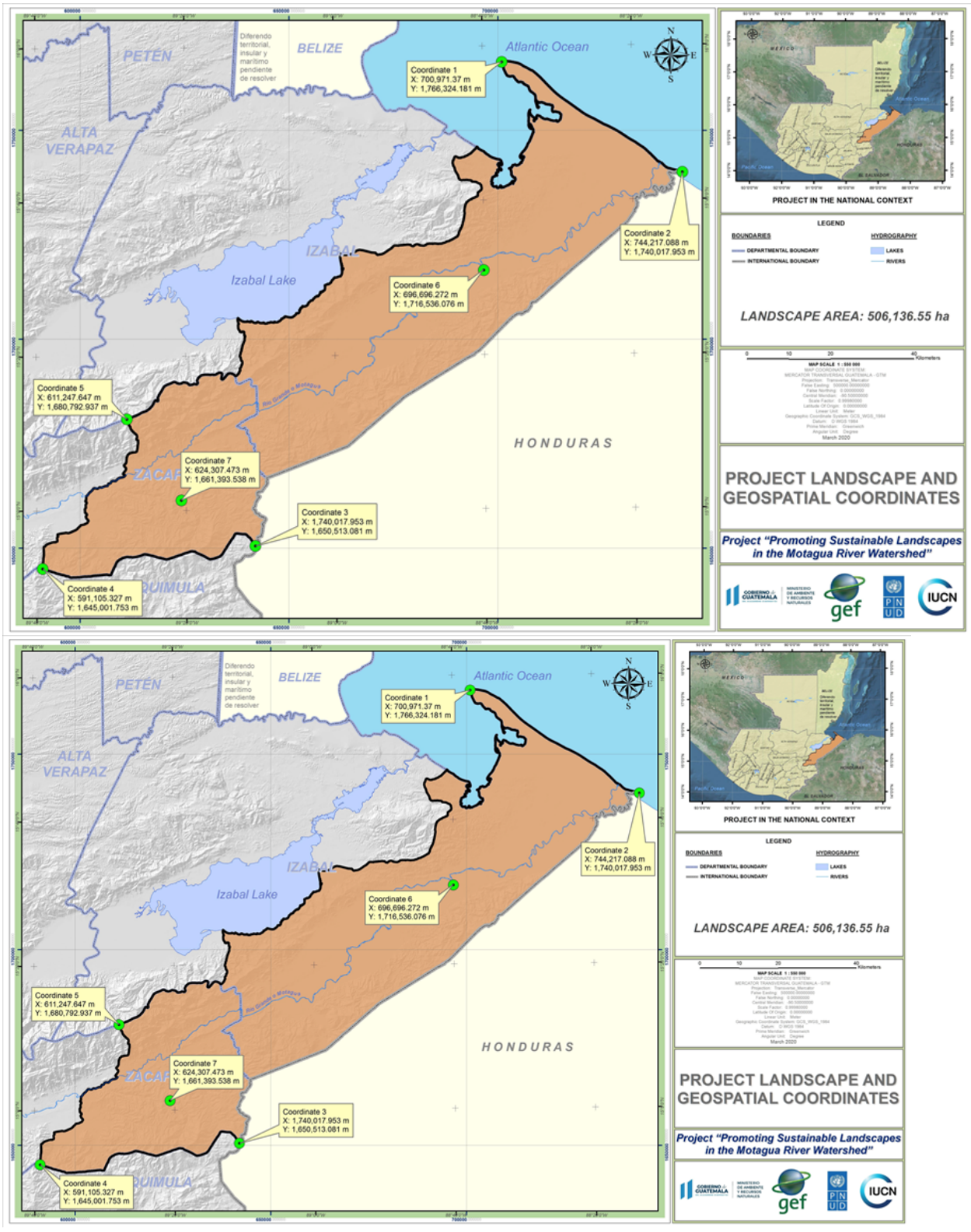
Coordination. This program will overlap thematically and possibly geographically with several U.S. projects and programs. In Guatemala alone, this includes USAID Feed the Future and Environment projects and the Assistance (OFDA) program. To ensure complementarity, avoid duplicity and set the tone for coordination from the start, we would like more information on the geographic and technical scopes, as well as partner information. Additionally, we recommend coordination by Implementing and Executing agencies with several stakeholders or projects, including USAID/Guatemala, the National Forestry Institute (INAB) Forest Incentives Program, USAID/OFDA, La Secretar?a de Seguridad Alimentaria y Nutricional de la Presidencia de la Rep?blica (SESAN), and La Coordinadora Nacional para la Reducci?n de Desastres de Guatemala (CONRED). Similarly, there are ongoing jurisdictional efforts aimed at reducing emissions linked to soft commodity production (ISFL, FCPF, Governors Climate and Forest Task Force) in many of the proposed program areas. How will this impact program support for those ongoing efforts and utilize the work these entities have done on the components outlined in the IP?	There is no geographic overlap with the 2018-2022 Guatemala Feed the Future efforts, as this initiative will be implemented in the three departments of the Western Highlands (Huehuetenango, Quiche?, and San Marcos), with a possible expansion to the Department of Alta Verapaz, while the GEF FOLUR Child Project proposed herein will be implemented in two departments in the northeast region of the country (Izabal and Zacapa). Thematically, the two projects overlap as both will focus on the coffee value chain. The project propose herein will implement sustainable food production practices and responsible value chains and deforestation-free practices as a base for marketing of sustainable products with a primary focus on FOLUR commodities (coffee and palm oil) and secondary support to other products (e.g., corn, beans and cattle ranching). In the case of coffee, the project will work closely with Anacaf? and FEDECOCAGUA both of which are coffee producers? associations that provide technical support to coffee growers and facilitate the commercialization of coffee in national and international markets. Project partners also include INAB, the Ministry of the Environmental and Natural Resources (MARN), and the Ministry of Agriculture, Livestock, and Nutrition (MAGA), which will provide additional technical support related to the implementation of best agricultural and environmental practices, including the diversification of the coffee crop as an agroforestry system free from deforestation. The project will coordinate with Anacaf? to exchange lessons learned regarding support to the coffee value chain as Anacaf? has presence in all the regions where coffee is grown in Guatemala; Anacaf? has positioned the brand Guatemalan Coffees, profiling coffee by eight regions (e.g., Highland Huehue, Volcanic San Marcos, and New Oriente) in the most demanding markets around the world. With the support of the United States Agency for International Development?s Office of U.S. Foreign Disaster Assistance (USAID/OFDA) the ?Yo Me Adapto? (I Adapt) project will promote climate-smart agricultural practices in drought-stricken communities in the Dry Corridor in the Department of El Progreso. There is no geographic overlap with this project; neither there is thematic overlap as the project proposed herein will focus primarily on the coffee and palm oil value chains and these products are not grown in the Department of El Progreso. The project proposed herein will work closely with INAB in the implementation of the Forest Incentives Programs (PINPEP and PROBOSQUE) in the project landscape. INAB is a key stakeholder and project co-financier and has been involved in the project design as a	6. Institutional Arrangement and Coordination

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

Project Preparation Activities Implemented	*GETF/LDCF/SCCF Amount ($)*		
	Budgeted Amount	*Amount Spent To date*	*Amount Committed*
Component A: Technical studies (desktop and field-based studies and data collection, Gender Analysis, Environmental and Social Safeguard Assessments, Baseline analysis of palm oil and coffee value chains, Identification of project sites, Social Safeguard Assessments, Financial planning, Stakeholder analysis, etc.)	59,800	54,408	6,337
Component B: Formulation of ProDoc, CEO Endorsement Request, and mandatory and project specific annexes	120,500	123,845	4,000
Component C: Workshops (Inception, Results Framework, and Validation)	19,700	10,510	900
Total	**200,000**	**188,763**	**11,237**

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.



ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (USDeq.)											Total US Deq.	Responsible Entity (Executing Entity receiving funds from the GEF Agency)
		Component 1		*Component 2*		*Component 3*		*Component 4*		*Sub-Total*	*M&E*	*PMC*		
		Sub-component 1.1	*Sub-component 1.2*	*Sub-component 2.1*	*Sub-component 2.2*	*Sub-component 3.1*	*Sub-component 3.2*	*Sub-component 4.1*	*Sub-component 4.2*					

Vehicles	? Vehicle (1). Cost: USD 35,000/unit. Total costs USD 35,000. The use of a vehicle is important since project staff will travel to 6 municipalities, 3 in Izabal Department and 3 in Zacapa (Puerto Barrios, Los Amates and Morales in Izabal; Gual?n, Zacapa and La Uni?n in Zacapa), as well as to communities in rural areas, which are located significantly far. It would thus be less cost-efficient to travel with buses or rented vehicles.[1]			35,000						35,000			35,000	IUCN

Goods	? Communications services to report and exchange results and monitoring between project parties, implementing partners, local communities, and indigenous peoples. This includes communication between Zacapa and Izabal, and vice-versa, as well as with the IUCN Guatemala Office, and Internet and phones for all three offices during 84 months. Total costs USD 84,000, USD 1,000/month for Component 2.			84,000						84,000			84,000	IUCN

Goods	? Payment for Microsoft, Adobe and institutional systems? licenses. Total costs USD 14,000 / USD 2,000/year (this cost includes software licenses for up to 6 laptops, 1 for each executing unit member)			14,000						14,000			14,000	IUCN
Goods	? Purchase of 6 laptops for support staff. Total cost: USD 12,000; USD 2,000/unit (one laptop per PMU member)					12,000				12,000			12,000	IUCN

Goods	? Strengthen 10 municipal, community owned and/or private greenhouses, which provide an average of 10,000 plants of native species per greenhouse. These will be used together with Landscape Management Tools (LMT) in areas of connectivity between forest remnants in production landscapes and HCVF, according to INAB guidelines. Other inputs for the installation of forest greenhouses and restoration actions. This does not include labour or land price. Estimated cost USD 390,312 (Output 3.1.1)					390,312				390,312			390,312	IUCN

Goods	? Communication actions to share and exchange results and monitoring among project stakeholders, implementing partners and local communities. This includes communications among Zacapa and Izabal sites, as well as both IUCN country offices in the Capital city and vice verse. Internet and phone services for 3 offices for 84 months. Total cost USD 84,000; USD 1,000/month (USD 400 Izabal, USD 400 Zacapa, and USD 200 Guatemala City) for Component 3.					84,000				84,000			84,000	IUCN

Contractual Services ? Company	? Consulting services to elaborate the protocol that will include processes and key stakeholders to prevent and transform conflicts. Costs for 6 months: USD 10,000/month -> Total USD 60,000 (Output 1.2.2) ? Consulting services to elaborate micro-watershed management plans. Costs per plan: USD 60,000, including workshops, travel costs -> Total for 5 plans USD 300,000 year 1 and 2 (Output 1.3.1) ? Consulting service to elaborate and/or update municipal development and land management plans. Costs per plan: USD 50,000 -> Total USD 300,000 for 6 plans (Output 1.3.2)	660,000								660,000			660,000	IUCN

Contractual Services ? Company	? Consulting services for field technical work: 4 field technicians for coffee and 1 for palm. Costs per month/person: USD 800, for 60 months -> total costs USD 240,000 (Output 2.1.1) ? Consulting services with expertise in biodiversity, economy and agricultural sciences to elaborate 7 business technical sheets. Cost per sheet: USD 15,000 -> total costs USD 105,000 (Output 2.1.1) ? Corporate services with multidisciplinary professional team experienced in the project area to design training programmes for sustainable production, biodiversity conservation, Sustainable			955,000						955,000		955,000	IUCN

Contractual Services ? Company	? Company service (multidisciplinary team with experience on monitoring, control and surveillance, and prevention and transformation of conflicts), for the design of the program for monitoring, prevention and transformation of conflicts. Total amount USD 75,000 (Output 3.1.3) ? Company service with experience in strengthening the work and processes of public institutions, civil society. Total amount USD 60,000, amount per month USD 5,000 / 12 months (Output 3.1.3) ? Company services with experience with workshop facilitation and conflict					513,000				513,000			513,000	IUCN

Contractual Services ? Company	? Company for the development and implementation of a monitoring system of selected key species: *Panthera onca, Alouatta palliata; Heloderma charlesbogerti; Vermivora chrysoptera*; and 6 endemic amphibian species, from year 2 to 6, yearly cost USD 22,000, Total cost USD 110,000 (Output 4.2.1) ? Contractual services for piloting ex-ante and ex post STAR methodology to showcase and measure the contribution of project investment to the extinction risk reduction of selected species, total amount USD 95,000 (Output 4.2.1) ? Contractual services to pilot								820,000		820,000			820,000	IUCN

International Consultants	? Environmental and Social Safeguards Expert: update of the IPPF (year 1) and support for the preparation of the IPP (year 2). Total cost: USD 20,000 (Output 4.2.2)							20,000		20,000			20,000	IUCN
International Consultants	? Monitoring and Evaluation Expert: Project mid-term evaluation. USD 43,500 (includes reports in Spanish and English) (M&E) ? Monitoring and Evaluation Expert: Project final evaluation. USD 43,500 (includes reports in Spanish and English) (M&E)										87,000		87,000	IUCN

Local Consultants	? Field Technical Officer 1: Zacapa Office, responsible for Annual Operating Plans (AOPs) elaboration and timely and effective implementation and to promote project positioning and synergies in their intervention areas. Costs including social charges for 7 years: USD 228,332. Only USD 22,833 covered by Component 1. This includes all legal benefits (Severance, 13th and 14th salary, IGSS, Insurances) ? Field Technical Officer 2: Izabal Office, responsible for Annual Operating Plans (AOPs) elaboration and timely and effective implementation and promote project positioning and	931,748								931,748			931,748	IUCN

Local Consultants	? Agriculture Marketing Specialist: enhance the sustainability of social and ecosystem services to be implemented particularly in coffee crops areas and other livelihoods systems. Total cost: USD 116,038 will be covered by component 2 includes legal benefits (Severance, 13th and 14th salary, IGSS, Insurances). ? Field Technical Officer 1: Zacapa Office, responsible for Annual Operating Plans (AOPs) elaboration and timely and effective implementation and promote project positioning and synergies in their intervention areas. Costs including social charges for 7 years: USD			2,506,179						2,506,179		2,506,179	IUCN

Local Consultants	? Field Technical Officer 1: Based in Zacapa, responsible for the initial preparation and the implementation of the Annual Operative Plan in the area of intervention in a timely manner. He/she will promote the positioning and synergies of the project with relevant actors and initiatives. Salary with social charges by law for 7 years: USD 228,332. Only USD 34,250 will be charged to Component 3. This includes all benefits according to Guatemala law (Unemployment, end of year bonus, Bonus 14, IGSS, Insurance) ? Field Technical Officer 2: Based in Izabal, responsible for the initial preparation					1,507,985				1,507,985			1,507,985	IUCN

Local Consultants	? Monitoring, Evaluation and Knowledge Management Specialist: He/she will supervise all activities, analysis and assessments of monitoring and evaluation (M&E), based in the project area and responsible for quantifying direct and indirect project results, monitoring relevant indicators, including indicators in project results framework and updating GEF Core Indicators, and maintain M&E databases to include achievements and specific results Total cost for this activity (USD 56,440). Systematize lessons learned and produce analytical reports, including learning								432,326		432,326	56,440		488,766	IUCN

Local Consultants	? Governance Specialist: He/she will be responsible for monitoring the IPPF/IPP, the Gender Action Plan, the Comprehensive Stakeholder Participation Plan, and the ESMF. Total cost USD 282,193 for 7 years. Only USD 70,000 will be charged to Component 4. This includes all benefits according to Guatemala law (Unemployment, end of year bonus, Bonus 14, IGS, and Insurance) M&E										70,000		70,000	IUCN

Local Consultants	? Project Manager: project planning, daily management of project activities, project reports, maintenance of key relationships between stakeholders. Total cost: USD 275,230, for 7 years. This amount includes all social wages applicable by law. ? Financial/Administrative Assistant: financial management of the project, reporting and procurement. Total cost USD 228,332 for 7 years. This amount includes all social wages applicable by law.											503,562	503,562	IUCN

Trainings, Workshops, Meetings	? Workshop for launch and signature of agreements. Estimated costs USD 2,400 (Output 1.1.1) ? Workshops and conferences to present the agreement at regional level, including a technical group on food systems, land use and restoration. Total costs: USD 2,400 (Output 1.1.1) ? Two Inter-institutional Coordination Group meetings per year. Total costs: USD 3,600 (Output 1.1.1) ? Coordination meetings and dialogue platforms, Total USD 6,400 (Output 1.1.2) ? Four meetings (2 with coffee stakeholders and 2 with palm stakeholders). Costs per workshop	56,200								56,200			56,200	IUCN

Trainings, Workshops, Meetings	? Capacity building workshops for coffee, palm and other crops producers and management of production-conservation conflict. Total costs USD 76,000 (Output 2.1.1) ? Training in the use of geographical information systems and verification and monitoring systems for municipal forest offices and other relevant stakeholders. Total costs: USD 30,000 (Output 2.2.4)			106,000						106,000			106,000	IUCN

Trainings, Workshops, Meetings	? Planning workshops with stakeholders, mapping and identification (producers, communities, municipalities, etc). Total cost USD 2,400 (Output 3.1.1) ? Workshops to disseminate results from Component 3 of the project, USD 10,000/year for 6 years, total costs USD 60,000					62,400				62,400			62,400	IUCN
Trainings, Workshops, Meetings	? Project Inception Workshop. Total cost: USD 5,000 during year 1 (Output 4.2.2) ? Workshops related to project mid-term and final evaluations. Total cost: USD 2,000; USD 1,000 per evaluation (M&E)										7,000		7,000	IUCN

Travel	? Travel costs to support Component 1: Development of Integrated Landscape Management (ILM) systems, Total costs: USD 93,840 for 7 years	93,840								93,840			93,840	IUCN
Travel	? Travel costs to support Component 2: Promoting food production sustainable practices and responsible value chains, Total costs: USD 25,000 for 7 years			25,000						25,000			25,000	IUCN

Travel	? Travel costs to support Component 3 Conservation and restoration of natural habitats. Total cost; USD 72,240 during the seven years of the project (Output 3.1.1) ? Mobilization costs for institutional delegates to implement activities of voluntary conservation agreements, total amount USD 2,400 (Output 3.1.1) ? Field visits and local meetings of institutional delegates, to negotiate the signing of agreements, total amount USD 2,400 (Output 3.1.1) ? Cost of the Inter-institutional Group for forest monitoring and land use?s staff travel to increase the frequency of forest mapping in					193,840				193,840			193,840	IUCN

Travel	? Travel costs in support of Component 4. Total cost USD 72,240, for seven year (Output 4.1.1) ? Travel costs related to global knowledge management including experience sharing with the FOLUR Global Platform and GCC. Total amount USD 250,000 (Output 4.1.2 and 4.1.3)							322,240		322,240			322,240	IUCN
Travel	? Travel costs related to project mid-term and final evaluations. Total cost: USD 6,030; USD 3,015 per evaluation (M&E)										6,030		6,030	IUCN

Office Supplies	? Office, IT and field supplies to support Component 2 activities. Supplies to minimize exposure to COVID-19: hand sanitizers, facemasks, disinfectant sprays, and disposable gloves. Total costs: USD 25,200 for 7 years			25,200						25,200			25,200	IUCN
Office Supplies	? Office supplies, IT, and field in support for Component 3. Supplies to minimize exposure to COVID-19: hand sanitizers, facemasks, disinfectant sprays, and disposable gloves. Total cost: USD 12,600 for 7 years for Component 3.					12,600				12,600			12,600	IUCN

Other Operating Costs	? Audio Visual (Video USD 7,000) and Printing Costs: Booklet (USD 1,500/booklet), infographics (USD 1,500/infographics), 1,000 colour copies. Total Cost USD 10,000 (Output 1.1.1) ? Audio Visual and Printing Costs: 2 * 50-pages approx. documents, 500 color copies each. Costs per document: USD 4,000 -> Total USD 8,000 (Output 1.2.1) ? Editing and layout of the conflict prevention and transformation protocol. Total cost: USD 4,000 (Output 1.2.2) ? Printing of Q?ueqchi? versions (including translation and adaptation of documents)	42,000								42,000			42,000	IUCN

Other Operating Costs	? Rental costs for 2 project offices, one in Zacapa and one in Izabal (USD 1,500 each), as well as proportional occupancy rate for the Guatemala City office (USD 1,000) for the staff that will work on the project, as well as technical support staff of different expertise. Total costs: USD 194,000, USD 4,000/ month for 48.5 months for Component 2			194,000						194,000			194,000	IUCN

Other Operating Costs	? Design and printing of material to disseminate experiences for the regional competitiveness programme, that include considerations on no deforestation and biodiversity conservation, to support the differentiation and commercialization of the project landscape?s products, prioritizing coffee and palm. Total costs: USD 10,000 (Output 2.2.1) ? Design and printing of material to disseminate results of the socioenvironmental good practices programme for production activities that cause deforestation and environmental degradation. Total costs: USD 10,000 (Output 2.2.3)			20,000						20,000			20,000	IUCN

Other Operating Costs	? Unforeseen costs associated with the implementation of coordinating activities for outcome 2. Total costs: USD 58,800			58,800						58,800			58,800	IUCN
Other Operating Costs	? Renting of 2 offices, one in Zacapa and one in Izabal (estimates USD 1,500 each) where field offices will be located, as well as partial payment of the Guatemala City office (USD 1,000) for staff working for the project as well as technical support team. Total cost: USD 142,000, USD 4,000 month for 35.5 months for Component 3.					142,000				142,000			142,000	IUCN

Other Operating Costs	? Material printing and audiovisuals for Component 3. Total costs USD 10,000 (Output 3.1.3) ? Material printing of the pilot experience of compensation for ecosystem services. Total costs USD 5,000 (Output 3.1.6) ? Audiovisuals costs and material printing on the conceptual framework related to ecosystem services and compensation schemes, total costs USD 5,000 (Output 3.1.6)					20,000				20,000			20,000	
Other Operating Costs	? USD 275 per month for vehicle insurance, equipment and fuel. Total cost USD 23,100 for 7 years.					23,100				23,100			23,100	IUCN

Other Operating Costs	? Knowledge management products. Total cost: USD 42,000; USD 6,000/year during 7 years (all outputs in component 4)							42,000		42,000			42,000	IUCN
Other Operating Costs	Project audit costs USD 4,000 per year for a total amount of USD 28,000.											28,000	28,000	IUCN
Grand Total		1,783,788		4,023,179		2,961,237		1,636,566		10,404,770	226,470	531,562	11,162,802	

[1] The purchase of at least one vehicle is needed as it will constitutes an essential tool for the mobilization of project staff, covering more than 5,000 km2 in 6 municipalities, allowing for proper monitoring of field activities. This need takes into account the limited existing equipment of local organizations, the long distances between communities and field sites, the lack of public transportation and the condition of the roads. During the last quarter of 2020, Guatemala has faced the devastation of several tropical storms as well as the COVID19 pandemic, with severe negative effects both in the national economy as well as government finances and budget distribution. The 2021 budget for the Ministry of the Environment and Natural Resources (MARN) and other government agencies has been reduced, and it is expected a further reduction for non-essential expenditures as the government will struggle with economic recovery and a deep health crisis; for this reason it will not be possible to use the co-financing for the motor vehicles.

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat

or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).