Towards resilient cities in Guatemala: addressing biodiversity loss and recovery through integrated urban planning and development

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID
11293
Countries
Guatemala
Project Name
Towards resilient cities in Guatemala: addressing biodiversity loss and recovery through integrated urban planning and development
Agencies
IUCN
Date received by PM
6/19/2025
Review completed by PM
7/7/2025
Program Manager
Aloke Barnwal
Focal Area
Multi Focal Area
Project Type
FSP

CEO

Part I - General Project Information

1. a) Is the Project Information table correctly filled, including specifying adequate executing partners?

Secretariat comment at CEO Endorsement Request

Yes. Has the project considered local governments to be executing agencies. If not, how would the project ensure that they are engaged in decision making and other strategic planning and implementation activities?

GEFSEC 26 August

Thanks. The above comment is cleared.

Please note that sections of CEO Endorsement document text are highlighted green, whereas other sections are struck through. Please remove any irregular formatting prior to resubmission.

Cleared.

Agency Response

GEF Agency 18/08/25:

Comment addressed. Municipalities will not serve as executing agencies due to fiduciary and administrative capacity considerations; however, their strategic role in project governance and implementation has been strengthened through adjustments in the institutional arrangements. Please see the project governance updated in the corresponding section, specifically, municipalities will be represented in the **National Strategic Committee (NSC)**, which is composed of high-level authorities. For the municipalities of the Metropolitan Area of Guatemala (AMCG), representation will be ensured through the **Mancomunidad Gran Ciudad del Sur**, while in Huehuetenango the **Municipality of Huehuetenango** will directly participate.

The executing units have established formal working relationships with these municipalities, ensuring effective coordination for planning, implementation, and monitoring of project activities. At the territorial level, **Local Technical Committees (LTCs)** will be established in the pilot territories to operationalize the **multi-level governance** approach, enabling municipal authorities, local stakeholders, and community representatives to actively participate in decision-making, provide technical inputs, and oversee the implementation of activities within their jurisdictions.

These adjustments make municipal participation more visible in the governance structure and strengthen vertical and horizontal coordination between the national, metropolitan, and local levels. This integration enhances policy alignment, fosters local ownership, and improves the sustainability of project outcomes. The revised institutional arrangements in the CEO Endorsement now explicitly reflect this structure and highlight multi-level activities as a core feature of the project?s implementation strategy (page 29, first paragraph).

b) Are the Rio Markers for CCM, CCA, BD and LD correctly selected, if applicable?

Secretariat comment at CEO Endorsement Request

GEFSEC July 3, 2025

The project is tagged as BD-1, CCM-2 and CCA-2, despite a strong focus on biodiversity and urban resilience. Consider reassessing focal area tagging, particularly for the BD Rio Marker considering the project focus on Biodiversity.

GEFSEC 26 August

Thanks.

Agency Response

GEF Agency 18/08/25:

Comment addressed. The tagging has been changed to strengthen the focus on Biodiversity as a principal objective.

2. Project Summary.
a) Does the project summary concisely describe the problem to be addressed, the project objective and the strategies to deliver the GEBs or adaptation benefits and other key expected outcomes?
b) Does the summary capture the essence of the project and is it within the max. of 250 words?
c) [If a child project under a program] Does the project summary include adequate and substantive link with the parent program goal and approach?

Secretariat comment at CEO Endorsement Request

GEFSEC July 3, 2025
It would be useful to strengthen the project summary with a little more description on the environmental challenges highlighting rapid urban growth (e.g., ~3% annually), loss of native forest cover (e.g., <30% remaining in peri-urban zones), ecosystems at risk (e.g., dry forest, pine-oak forest remnants) and fragmentation and status of urban green corridors and urban forest loss.

GEFSEC September 2

Thanks. Comment is cleared.

Agency Response

GEF Agency 18/08/25:

Comment addressed. The Project Summary has been strengthened in line with the GEFSEC?s recommendations by incorporating specific quantitative data and ecosystem references to better illustrate the environmental challenges addressed by the project. The revised version now explicitly highlights:

? The rate of rapid, unplanned urban growth in Guatemala (~3% annually).

? The loss of native forest cover in peri-urban zones (less than 30% remaining).

? The fragmentation and declining status of urban green corridors and urban forests.

? Ecosystems at risk, including dry forest and remnant pine-oak forest patches, as well as degradation of water recharge areas.

These elements have been integrated into the opening paragraph to provide a more concrete picture of the problem context, linking environmental degradation to the drivers and impacts of urban expansion. The rest of the summary has been streamlined to remain within the 250-word limit, while

maintaining the strategic framing aligned with the parent program (GEF-8 Sustainable Cities Integrated Program). See page 4 of the CEO endorsement.

3. Project Description Overview
a) Is the project objective statement concise, clear and measurable?
b) [If a child project under a program] Is there a project Theory of Change that is aligned and consistent with the overall program goal and approach?
c) Are the components, outcomes, and outputs sound, appropriate and sufficiently clear to achieve the project objective and the core indicators per the stated Theory of Change?
d) Are gender dimensions, knowledge management, and M&E included within the project components and budgeted for?
e) Are the GEF Project Financing and Co-Financing contributions to PMC proportional?
f) Is the PMC equal to or below 10% (for MSP) or 5% (for FSP)? If above, is the justification acceptable?

Secretariat comment at CEO Endorsement Request

Objective statement is fine and the overall project structure is fine. Please see additional comments for addressing in each component:

Component 1: Planning, strategic and policies

The project can be more ambitious and definitive in delivering the outcomes.

- Output 1.1.1: Suggest to change ?National guidelines developed? ? ?Policies and regulations drafted/adopted?.
- Output 1.1.2: Suggest to replace ?planning instruments strengthened? ? ?planning instruments adopted and integrated?.
- Output 1.2.2: "Strategic conservation efforts for urban and peri-urban ecosystems officially recognized and supported." seems quite vague. It is unclear what is meant by "recognized" and "supported" and how it would be measured.

Under 1.1.1 the project will support implementation of the Urban Forest law. Please clarify what does the new law propose, why GEF funds are needed if there is already a law and what value GEF resources would add.

Component 2: All the outcomes and outputs are categorized as Investment. However, Outcome 2.1 appears to be technical assistance and 2.2 as investment.

Suggestion: Structure Component 2 into two rows one for the technical assistance activities and another row for the investment activities. Split the co-financing also if possible. Also, please indicated the linkage between outcomes 2.1 and 2.2. Would the mechanisms designed in 2.1 be applied for investments in 2.2?

The document includes a list of different types of financial mechanisms: revolving funds, land value capture, compensation schemes, biodiversity/urban forest funds, etc. During the PPG stage, has the agency conducted an analysis/identification of the most suitable instrument. In the component description, a more detailed explanation on how the financial mechanisms would be developed, prioritized and established would be useful. Does the project envisage that these mechanisms would be developed and operationalized also for investments during the project period. How would these be funded and sustained? Would any of the co-financing be used to operationalize these mechanisms/instruments?

Under **Output 2.1.1.1, c**larify whether FONCC, FONACON, and Development Councils are already functioning, are accessible for urban nature projects and financially sustainable over time.

Also, what are their current priorities and what value will GEF resources add? Same for 2.1.1.3, please provide more details about the Biodiversity and Urban Forests Fund and how will the GEF resources complement its work.

Under 2.2.3.1 the focus on vulnerable urban areas is welcome. However, please clarify how these areas will be identified. Would the project use any vulnerability assessment or use geospatial data for identifying locations and planning interventions?

Component 3: Please clarify the difference or linkage between the citizen platform for urban and nature in Guatemala City and urban innovation and citizen science lab in Huehuetenango. Also, is there a plan to replicate this in other cities, for example, by working with the national government to create mechanisms to support such initiatives in other cities? We also recommend to focus on youth in these platforms and labs to complement the diploma course proposed to be designed in the project. Also, under 3.1.2.3, the financing for applied scientific research in Nature-based solutions in urban environments could focus on youth led applications.

The GEF financing and Co-financing contributions to PMC is not proportional. If the GEF contribution is kept at 4.9%; for a co-financing of $20,318,395.00 the expected contribution to PMC must be around $995,601.00 instead of $264,566.00 (which is 1.3%). As the costs associated with the project management must be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the GEF contribution to PMC might be decreased and the co-financing contribution to PMC might be increased to reach a similar level. Please amend either by increasing the co-financing portion and/or by reducing the GEF portion.

Please integrate the gender and inclusion aspects in the program design i.e. in outcomes and outputs. There is some mention that the project will promote gender equality and women's empowerment but the specific measures to be taken to realize this objective have to be included in the project description , including description of project components and activities. The Agency is requested to reflect what is in its Gender Action Plan in the project document itself. Please revise the Results Framework to include indicators to measure gender-specific results (in the relevant project outputs). Under M&E, please reflect that reports submitted (MTR and TE) include gender-specific results and progress in the implementation of the Gender Action Plan. Under KM, please ensure that best practices and lessons learned in advancing gender equality and women's empowerment are documented and widely disseminated.

Kindly note that offsets cannot be claimed as part of the GEF project, but the project can support the framework for the operationalization of a future offset instrument. Please make this distinction clear in the narrative to avoid misunderstanding.

GEFSEC September 2

Thanks. Please respond to the last comment regarding offsets as benefits from GEF funding. Also, we see that the revisions are highlighted and some text are strikethrough to show the change. In the next submission, please submit a clean version of the CEO ER. If feasible, you may keep this track changed version also in the documents section and mark it for GEF Secretariat use only.

GEFSEC October 1: Comment cleared.

Agency Response

Agency Response 18/08/25

Comment addressed. In response to the Secretariat?s recommendation to make Component 1 outputs more ambitious and definitive, the project has revised Outputs 1.1.1, 1.1.2, and 1.2.2 to

ensure they reflect concrete, measurable results, aligned with the Theory of Change and the project?s strategic objectives.

- **Output 1.1.1** has been reformulated to go beyond the development of guidelines, explicitly committing to the drafting and adoption of *national urban biodiversity policies, guidelines and related regulations* to integrate urban forests, biodiversity, climate resilience, and Nature-based Solutions into urban planning and land-use instruments (page 5).
- **Output 1.1.2** now maintains the territorial scope of the original formulation while ensuring that *planning instruments for urban and territorial management in the Metropolitan Area of Guatemala and Huehuetenango* are not only strengthened but also *adopted and integrated* into local and metropolitan planning frameworks, embedding biodiversity, climate resilience, and Nature-based Solutions in official planning processes (page 5).
- **Output 1.2.2** has been clarified to address vagueness regarding ?recognition? and ?support? by explicitly adopting the internationally recognized framework of *Other Effective Area-based Conservation Measures (OECMs)*. The new formulation ensures that *urban and peri-urban ecosystems are officially recognized and managed as OECMs, with technical, legal, and financial support to ensure their long-term conservation, restoration, and integration into municipal planning frameworks*.(page 6)

The Urban Forest Law is currently an *initiative* pending presentation to Congress. Its primary purpose is to protect, restore, and sustainably manage urban green spaces, including urban forests, ravines, and other vegetated areas within municipalities. The law establishes the legal framework for conserving these areas as essential components of urban environmental quality and climate resilience.

While the law will provide the legal mandate, its effective implementation will require regulatory instruments, technical tools, and institutional capacities that are not yet in place. GEF resources will add value by:

- Supporting the drafting and adoption of the Law?s implementing regulations, ensuring alignment with biodiversity, climate resilience, and Nature-based Solutions.
- Developing technical instruments such as *city-level green maps* to identify, classify, and monitor urban forests and green corridors.
- Strengthening the Ministry of Environment and Natural Resources (MARN) and municipal institutions through targeted capacity-building, coordination mechanisms, and multi-level governance platforms established under the project.
- Piloting and demonstrating conservation and restoration measures in selected municipalities, providing replicable models for national scale-up.

By bridging the gap between the legal mandate and operational implementation, the project ensures that the Urban Forest Law translates into tangible conservation outcomes in cities and metropolitan areas. This activity has been strengthened both in the Project Description and in Annex C ? Project Results Framework, where it is explicitly detailed and budgeted, ensuring alignment between the project?s institutional arrangements, technical outputs, and the resources allocated for its execution. See page 18 of the Ceo endorsement.

In response to the Secretariat?s recommendation, **Component 2 has been split** into two distinct outcomes in the Project Results Framework and budget:

- **Outcome 2.1** focuses on **technical assistance and enabling conditions** for sustainable financing of urban biodiversity, urban forests, climate resilience, and Nature-based Solutions. This includes (i) adapting national funding mechanisms (Output 2.1.1) and (ii) designing innovative local financial mechanisms (Output 2.1.2).
- **Outcome 2.2** focuses on **direct investments** in urban green infrastructure and ecological restoration, as described in Outputs 2.2.1 to 2.2.3.

Importantly, **the funding mechanisms developed under Outcome 2.1 (both national and local)** will be **mobilized and applied** to finance the investments described under Outcome 2.2. This ensures a clear operational and financial linkage between the enabling conditions created in 2.1 and the on-the-ground interventions in 2.2, guaranteeing sustainability and alignment with national priorities, environmental safeguards, and technical standards.

During the PPG stage, a detailed technical and economic analysis to select the most suitable financial instruments was not conducted; this will be a priority activity during project implementation. However, consultations held with the Ministry of Finance, SEGEPLAN, and other stakeholders highlighted that the primary barrier to financing urban Nature-based Solutions (NbS) is not the absence of financial mechanisms per se, but rather the lack of well-prepared NbS project profiles, coupled with low awareness and interest among potential implementing entities. For existing national funds (e.g., FONCC, FONACON) and Development Council funds, the project will work on adapting eligibility criteria and modifying project typologies to include urban biodiversity, urban forests, and climate resilience initiatives, while addressing regulatory constraints (?candados?) that currently prevent their financing. This recommendation has been incorporated by adjusting activity 2.1.1.1 to explicitly include the identification and adaptation of regulatory frameworks and project typologies, as well as the commitment to conduct the detailed technical and economic analysis during project implementation (See page 13, Ceo end)

Regarding the proposed Biodiversity and Urban Forest Fund, this is included in the draft Urban Forest Law currently under discussion. If the law is enacted, GEF resources could play a catalytic role in operationalizing the fund?supporting the creation of its governance and management structures, developing technical and financial guidelines, and enabling initial investments.

For innovative local mechanisms (Outcome 2.1.2), the project will explore tools such as land value capture (via *contribuci?n por mejoras*), environmental offsets, and green bonds. The ?Guide for Land Value Capture to Finance NbS in Guatemala City? provides a framework that will be adapted and tested through demonstration pilots, in coordination with municipalities, to validate both regulatory feasibility and financial sustainability.

Both the national mechanisms (2.1.1) and the innovative mechanisms (2.1.2) will be directly mobilized to finance the investments under Outcome 2.2, ensuring that design, governance, and operational arrangements established under Outcome 2.1 are applied to concrete ecological restoration and green infrastructure projects. (See page 20)

The project will indeed use geospatial data and vulnerability assessments to identify and prioritize interventions in vulnerable urban areas. This will include the analysis of landslide hazard maps, exposure mapping, and socio-environmental vulnerability indicators developed at municipal and national level, combined with field validation and participatory planning. These datasets will guide the selection of intervention sites and the design of pilot green infrastructure projects, ensuring that resources are directed to areas with the highest risk and potential impact. Accordingly, Activity 2.2.3.1 has been updated to explicitly state the use of geospatial and vulnerability data for site identification and planning. (See page 21)

The citizen platform for urban and nature in Guatemala City and the urban innovation and citizen science lab in Huehuetenango are similar collaborative spaces aimed at facilitating citizen participation, monitoring, and policy auditing for local urban biodiversity and climate resilience actions. The difference in naming reflects the origin of existing local initiatives: in Guatemala City, the platform builds on concepts promoted by universities and NGOs, while in Huehuetenango, the lab operates under the leadership of SEGEPLAN and the Departmental Development Council with a stronger focus on innovation. Both spaces will serve as hubs for knowledge exchange, youth engagement, and applied research on Nature-based Solutions (NbS). Replication in other cities will be explored through national institutions such as SEGEPLAN, which has the capacity to promote these mechanisms in other territories. (See page 23)

In response to the Secretariat?s recommendation, several activities across Components 3.1 and 3.2 have been reformulated (3.1.2.1; 3.1.2.3; 3.2.1.1; 3.2.2.1) to explicitly integrate youth engagement as a cross-cutting element. This includes adjustments in training programs, applied research lines, and citizen participation platforms to ensure the active involvement of youth networks, student associations, and young community leaders. These changes aim to strengthen intergenerational participation, foster innovation, and enhance the long-term sustainability of project outcomes.

The co-financing contribution to PMC has been adjusted to maintain proportionality with the GEF contribution, as suggested.

Gender and inclusion aspects have been incorporated as recommended, with specific measures integrated into the project description, Results Framework, budget, and indicators. These include the development of gender-specific outputs, the integration of gender-sensitive indicators, and the inclusion of gender-related reporting requirements under M&E. Provisions have been added to document and disseminate best practices and lessons learned on gender equality and women?s empowerment. These adjustments are reflected in the updated project description and Annex C ? Project Results Framework.

Agency response 24/09/25:

Comment addressed. The narrative has been revised to clarify that environmental offsets will not be claimed as part of GEF project benefits. Instead, the project will support the enabling framework and preparatory actions that could facilitate the operationalization of a future offset instrument by national and municipal authorities. This ensures full compliance with GEF guidance while maintaining the project?s catalytic role in strengthening policy, regulatory, and technical conditions for innovative financing mechanisms

4. Project Outline
A. Project Rationale
a) Is the current situation (including global environmental problems, key drivers of environmental degradation, climate vulnerability) clearly and adequately described from a systems perspective and adequately addressed by the project design?
b) Have the role of stakeholders, incl. the private sector and local actors in the system been described and how they will contribute to GEBs and/or adaptation benefits and other project outcomes? Is the private sector seen mainly as a stakeholder or as financier?
c) If this is an NGI project, is there a description of how the project and its financial structure are addressing financial barriers?

Secretariat comment at CEO Endorsement RequestYes

Agency Response

Agency Response 18/08/25:

N/A

5 B. Project Description
5.1 a) Is there a concise theory of change (narrative and an optional schematic) that describes the project logic, including how the project design elements are contributing to the objective, the identified causal pathways, the focus and basis (including scientific) of the proposed solutions, how they provide a robust approach? Are underlying key assumptions listed?
b) [If a child project under a program] Is the Theory of change aligned with and consistent with the overall program goal and approach?
c) Is there a description of how the GEF alternative will build on ongoing/previous investments (GEF and non-GEF), lessons and experiences in the country/region? [If a child project under a program] Does the description include how the alternative aligns with and contributes to the overall program

goal and approach?
d) Are the project components (interventions and activities) described and proposed solutions and critical assumptions and risks properly justified? Is there an indication of why the project approach has been selected over other potential options?
e) Incremental/additional cost reasoning: Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12? Has the baseline scenario and/or associated baseline projects been described? Is the project incremental reasoning provisioned (including the role of the GEF)? Are the global environmental benefits and/or adaptation benefits identified?
f) Other Benefits: Are the socioeconomic benefits resulting from the project at the national and local levels sufficiently described?
g) Is the financing presented in the annexed financing table adequate and demonstrate a cost-effective approach to meet the project objectives? Are items charged to the PMC reasonable according to the GEF guidelines?
h) How does the project design ensure resilience to future changes in the drivers and adaptive management needs and options (as applicable for this FSP/MSP)?
i) Are the relevant stakeholders (including women, private sector, CSO, e.g.) and their roles adequately described within the components?
j) Gender: Does the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities and have these been taken up in component design and description/s?
k) Are the proposed elements to capture and disseminate knowledge and learning outputs and strategic communication adequately described?
l) Policy Coherence: Have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed?
m) Transformation and/or innovation: Is the project going to be transformative or innovative? [If a child project under an integrated program] Are the specific levers of transformation identified and described? Does it explain scaling up opportunities?

Secretariat comment at CEO Endorsement Request

The project refers to "Figure X" for ToC. A ToC is provided in the "Benefits of the Project" section. It would be useful to bring the ToC more upfront in the project description and also label the figure correctly.

Please describe how the project design ensure resilience to future changes and if adaptive management is built in the project.

While policy coherence is well targeted in the project, have any policies, regulations or subsidies been identified that could counteract the intended project outcomes and how will that be addressed? These could be linked to zoning policies that may impact the urban biodiversity interventions.

GEFSEC September 2

Thanks for providing additional details and integrating the comments in the project design. The comment is cleared now.

Agency Response

Agency Response 18/08/25:

Comment addressed. **On the ToC (Theory of Change):** The ToC has been brought more to the forefront in the Project Description section, correctly numbered as ?Figure 1,? and supplemented with a brief introductory description summarizing the key assumptions, change pathways, and expected impacts. This ensures that the reader has a clear understanding of the project logic from the outset. (See page 17 of the CEO endorsement)

The project design incorporates **adaptive management approach** through the integration of both participatory and scientific monitoring systems for environmental and social indicators, enabling periodic reviews of results, risks, and emerging opportunities. Flexibility is embedded in the prioritization of interventions, allowing adjustments in response to future scenarios of climate change and urbanization, based on geospatial data analysis and vulnerability assessments. Institutional mechanisms?such as inter-institutional technical committees?will review and adjust annual work plans according to new evidence and evolving priorities. Furthermore, the co-executing partners are non-governmental organizations with extensive experience in adaptive management, which will ensure timely decision-making and iterative learning. Multiple coordination platforms at national, municipal, and community levels will serve as anticipatory spaces to detect early signals of change and to align strategies, resources, and actions accordingly. To highlight this aspect, an additional paragraph has been included in the ?Institutional Arrangement and Coordination with Ongoing Initiatives and Project? section of the CEO Endorsement, emphasizing the project?s adaptive management approach, the experience of the co-executing NGOs, and the multiple coordination platforms that will enable timely adjustments to strategies and actions.

Policies, regulations, or subsidies that could counteract impacts. The preliminary policy coherence analysis carried out during the PPG stage confirmed that one of the most entrenched barriers to integrating biodiversity into urban planning lies in Guatemala?s territorial governance model. Zoning norms and sectoral policies often privilege a ?development-first? logic, where environmental values are subordinated to short-term economic uses. Instruments such as OCRET?s concession regime or agricultural zoning policies tend to perpetuate extractive or occupation-based land uses, while in urban areas, the prevailing concept of private property and real estate development rights overrides ecological considerations. Existing provisions on land-use change and forest cover?often the only legal hooks for biodiversity?are rarely applied in practice, leaving urban forests and peri-urban ecosystems vulnerable to piecemeal conversion. Subsidies and investment incentives reinforce this bias. In the Metropolitan Area of Guatemala, ravines?among the last functioning green corridors?are still viewed primarily as linear reserves for future grey infrastructure (notably roads), with the city?s *POT* failing to provide a binding framework for ecological management in non-buildable zones. This absence of environmental treatment guidelines in these spaces effectively legitimizes their progressive degradation. A further constraint lies in the current typologies of projects eligible for financing through the Development Councils (*Consejos de Desarrollo*), which rarely, if ever, include Nature-based Solutions as a recognized category. This omission stems less from deliberate exclusion than from institutional unfamiliarity with NbS concepts, benefits, and practical applications in urban and peri-urban contexts. Consequently, investment portfolios are dominated by conventional grey infrastructure proposals, locking local governments and communities into business-as-usual approaches and overlooking NbS? potential to address flooding, heat stress, and biodiversity loss.

The project will confront these contradictions head-on, reframing ravines and urban forests as strategic climate and biodiversity assets, generating well-prepared NbS project profiles, and promoting legal and regulatory reforms to update municipal ordinances and adapt eligibility criteria for public financing streams. These actions will dismantle perverse incentives, close regulatory loopholes, and align land-use governance with a vision of resilient, nature-positive urban development. An additional paragraph on these issues has been incorporated into the CEO Endorsement, in the section addressing barriers, to reflect these findings and proposed responses. (See page 13 of the CEO endorsement)

5.2 Institutional Arrangements and Coordination with Ongoing Initiatives and Project
a) Are the institutional arrangements, including potential executing partners, outlined on regional, national/local levels and a rationale provided? Has an organogram and/or funds flow diagram been included?
b) Comment on proposed agency execution support (if agency expects to request exception). Is GEF in support of the request?
c) Is there a description of coordination and cooperation with ongoing GEF and non-GEF financed projects/programs (such as government and/or other bilateral/multilateral supported initiatives in the project area, e.g.).

d) [If a child project under an integrated program] Does the framework for coordination and collaboration demonstrate consistency with overall ambition of the program for transformative change?

Secretariat comment at CEO Endorsement Request

From the flowchart, it is not clear to whom National and Local Technical Committees report- to the PMU or Steering Committee. Please improve the flow chart for governance/coordination architecture. Also, please consider adding INAB to the Steering Committee (only CONAP is currently in the Steering Committee).

Please elaborate how the city governments will be engaged during the project implementation in key decision making bodies. We see them only in local technical committees. Ensuring effective multi-level governance is critical for this project given that biodiversity agenda cuts across local, state and national governments. We recommend considering inclusion of city governments in the steering committee.

Also, to ensure vertical and horizontal integration across institutions, we recommend adding a specific activity under component that can support mechanisms to strengthen coordination and collaboration between the key institutions and multi-level governance for effective urban planning and investment decision making.

The proposal provides a useful list of complementary projects funded by other institutions such as FFEM and AF. How would the project ensure coordination with these projects during the implementation? In absence of a well coordinated mechanism the project may face duplication risks. We recommend engaging these institutions in the formal institutional and governance structure of the project and create platforms for periodic exchange of experiences and lessons.

GEFSEC September 2

The image of the institutional arrangement is of low resolution. Please upload a better resolution diagram. Also,. I don't see reference to AF or FFEM in the diagram.

GEFSEC October 1

Cleared.

Agency Response

Agency Response 18/08/25:

Comment addressed. The governance/coordination flowchart has been revised to clarify reporting lines between the National and Local Technical Committees and the Project Steering Committee (PSC), as well as to explicitly include the National Forest Institute (INAB) as a PSC member. The updated diagram also highlights the role of municipalities in both the National Strategic Committee and the Local Technical Committees, ensuring their active participation in project decision-making bodies beyond the local level. Figure 2 - Project?s institutional arrangements - has been actualized to reflect these changes. (See page 13 of the CEO endorsement.)

To further strengthen multi-level governance, the project will incorporate an activity under Component 1 aimed at establishing a Permanent Multi-level Urban Planning and Investment Coordination Roundtable. See activity 1.1.1.5 See page 19 pf the Ceo Endorsement. This roundtable will bring together key institutions (MARN, CIV, CONAP, INAB, SEGEPLAN, INFOM, municipal associations, and local governments), co-executing NGOs, and other strategic partners to coordinate urban biodiversity, climate resilience, and investment priorities. The mechanism will serve to:

•Align national, metropolitan, and municipal planning instruments (e.g., POTs, investment plans).
•Ensure integration of Nature-based Solutions into zoning, infrastructure, and public investment pipelines.
•Facilitate periodic review of progress, exchange of lessons, and adaptive decision-making across governance levels.

This addition directly responds to the Secretariat?s recommendation to secure vertical and horizontal integration between key institutions and to enhance city governments? influence in project steering.

The project governance architecture has been adjusted to strengthen coordination with complementary initiatives funded by institutions such as FFEM and AF, as well as other relevant cooperation programs. In the revised flowchart, these institutions are explicitly integrated into the formal institutional structure through their participation in the Project Steering Committee and relevant technical platforms. This will ensure regular communication, alignment of priorities, and joint planning during implementation.

Agency Response 24/09/25:

Comment addressed. A revised version of the institutional arrangement diagram has been uploaded in higher resolution. In this updated version, AF and FFEM have been explicitly included as part of the National Strategic Committee (NSC), ensuring their integration into the project?s governance structure and reflecting their role in coordination and knowledge exchange.

5.3 Core indicators
a) Are the identified core indicators calculated using the methodology and adhering to the overarching principles included in the corresponding Guidelines (GEF/C.62/Inf.12/Rev.01)? [If a child project under a program] Is the choice of core indicators consistent with those prioritized under the parent program?
b) Are the project?s targeted contributions to GEBs (measured through core indicators and additional listed outcome indicators) /adaptation benefits reasonable and achievable? Are the GEF Climate Change adaptation indicators and sub-indicators for LDCF and SCCF properly documented?

Secretariat comment at CEO Endorsement Request

Please attach GHG spreadsheet for GEF tracking and justification of CCM co-benefits.

Under CI. 6.1 and 6.2, please provide duration of accounting.

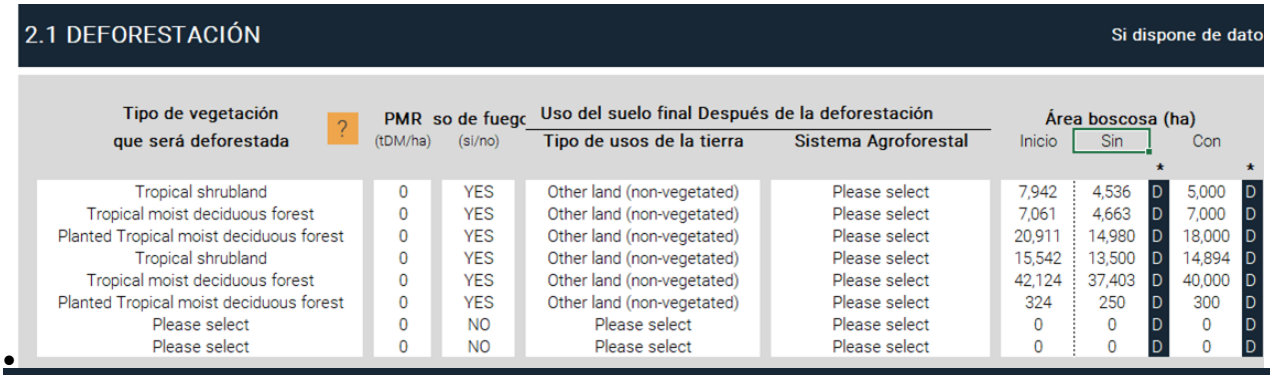
Under CI. 1.2, please provide METT scores for the listed protected areas

GEFSEC September 2

Thanks. Please see additional comments

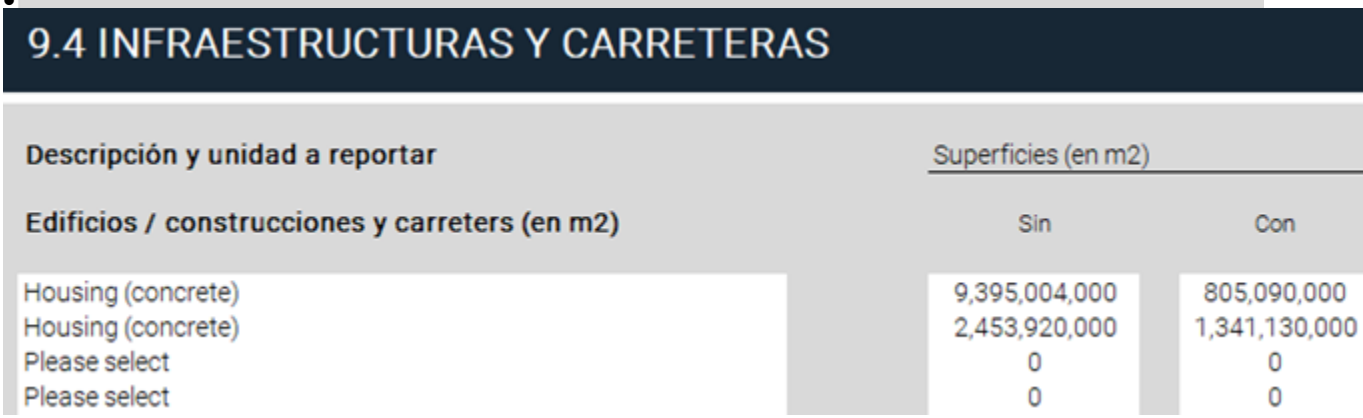
Previous comment is not addressed: Under CI. 6.1 and 6.2, please provide duration of accounting.

•As per the EX-ACT sheet, the project?s mitigation potential is 4,238,196,112 tCO_2 while as per the CEO Endorsement document this potential is 4,238,196 tCO_2
•The duration of accounting as per the EX-ACT sheet seems to be the same for emissions avoided outside AFOLU and in AFOLU, while the duration is different in the Core Indicator Section of the CEO Endorsement document.
•Finally, it is difficult to follow the calculations without an explanation in the CEO Endorsement document on the assumptions and data use. For instance, please clarify and whenever possible make a reference in the CEO Endorsement document to the following assumptions:



2.1 DEFORESTACIÓN — Si dispone de dato

Tipo de vegetación que será deforestada	?	PMR (tDM/ha)	so de fuego (si/no)	Uso del suelo final Después de la deforestación: Tipo de usos de la tierra	Sistema Agroforestal	Área boscosa (ha): Inicio	Sin	*	Con	*
Tropical shrubland		0	YES	Other land (non-vegetated)	Please select	7,942	4,536	D	5,000	D
Tropical moist deciduous forest		0	YES	Other land (non-vegetated)	Please select	7,061	4,663	D	7,000	D
Planted Tropical moist deciduous forest		0	YES	Other land (non-vegetated)	Please select	20,911	14,980	D	18,000	D
Tropical shrubland		0	YES	Other land (non-vegetated)	Please select	15,542	13,500	D	14,894	D
Tropical moist deciduous forest		0	YES	Other land (non-vegetated)	Please select	42,124	37,403	D	40,000	D
Planted Tropical moist deciduous forest		0	YES	Other land (non-vegetated)	Please select	324	250	D	300	D
Please select		0	NO	Please select	Please select	0	0	D	0	D
Please select		0	NO	Please select	Please select	0	0	D	0	D



9.4 INFRAESTRUCTURAS Y CARRETERAS

Descripción y unidad a reportar	Superficies (en m2)	
Edificios / construcciones y carreters (en m2)	Sin	Con
Housing (concrete)	9,395,004,000	805,090,000
Housing (concrete)	2,453,920,000	1,341,130,000
Please select	0	0
Please select	0	0

GEFSEC October 1- Thanks for the revision. Comment is cleared now.

Agency Response

Agency Response 18/08/25

Comment addressed. Please see the annexes of EX-ACT for CORE indicators 6.1 and 6.2 and METT for the CORE indicator 1 in the roadmap documents.

Agency Response 24/09/25:

Comment addressed. During the review of Core Indicator 6.1, it was noted that the mitigation potential reported in the CEO Endorsement document (4,238,196 tCO?e) differed from the value generated by the EX-ACT model (4,238,196,112 tCO?e). A re-examination of the EX-ACT outputs confirmed that this discrepancy resulted from the inclusion of avoided urban sprawl (infrastructure and roads), which produced an unrealistically high figure that cannot be reliably monitored within the scope of this project. Based on this review, the project team decided to exclude the emission reductions associated with avoided urban expansion and to retain only the more robust and verifiable results linked to avoided deforestation, improved forest management, and peri-urban ecological restoration.

This adjustment yields a final mitigation potential of **7,817,168 tCO?e** over a **20-year accounting period**, which is consistent across all documents (EX-ACT sheet and CEO Endorsement). The CEO Endorsement has been updated to provide a detailed explanation of this revised value, emphasizing its grounding in avoided deforestation, reduced forest degradation and fire risk, and peri-urban restoration as the basis for credible and measurable climate benefits. In addition, the

CEO Endorsement narrative now explicitly clarifies the key assumptions underlying the EX-ACT calculations, including land-use change projections to 2045 (using national land cover maps, municipal cadastre, and SLEUTH modeling), stricter territorial regulations preventing urban expansion into forested areas, and the restoration of degraded ravines and ecological parks.

Finally, the Core Indicators table has been updated to reflect this revision, with CI 6.5 (direct AFOLU) capturing peri-urban reforestation (57,201 tCO?e), CI 6.6 (indirect AFOLU) capturing avoided deforestation and improved forest management (7,759,967 tCO?e), and CI 6.7?6.8 (outside AFOLU) reported as zero.

5.4 Risks
a) Is there a well-articulated assessment of risk to outcomes and identification of mitigation measures under each relevant risk category? Are mitigation measures clearly identified and realistic? Is there any omission?
b) Is the rating provided reflecting the residual risk to the likely achievement of intended outcomes after accounting for the expected implementation of mitigation measures?
c) Are environmental and social risks, impacts and management measures adequately assessed and rated and consistent with requirements set out in SD/PL/03?

Secretariat comment at CEO Endorsement Request

Please refer to policy coherence comment above. Are there any policies that affect the project interventions, particularly related to conservation of biodiversity and nature based solutions.

GEFSEC September 3

Thanks. No further comments.

Agency Response

Agency Response 18/08/25:

Comment addressed. **Policies, regulations, or subsidies that could counteract impacts.** The preliminary policy coherence analysis carried out during the PPG stage confirmed that one of the most entrenched barriers to integrating biodiversity into urban planning lies in Guatemala?s territorial governance model. Zoning norms and sectoral policies often privilege a ?development-first? logic, where environmental values are subordinated to short-term economic uses. Instruments such as OCRET?s concession regime or agricultural zoning policies tend to perpetuate extractive or occupation-based land uses, while in urban areas, the prevailing concept of private property and real estate development rights overrides ecological considerations. Existing provisions on land-use change and forest cover?often the only legal hooks for biodiversity?are rarely applied in practice, leaving urban forests and peri-urban ecosystems vulnerable to piecemeal conversion. Subsidies and investment incentives reinforce this bias. In the Metropolitan Area of Guatemala, ravines?among the last functioning green corridors?are still viewed primarily as linear reserves for future grey infrastructure (notably roads), with the city?s *POT* failing to provide a binding framework for ecological management in non-buildable zones. This absence of environmental treatment guidelines in these spaces effectively legitimizes their progressive degradation. A further constraint lies in the current typologies of projects eligible for financing through the Development Councils (*Consejos de Desarrollo*), which rarely, if ever, include Nature-based Solutions as a recognized category. This omission stems less from deliberate exclusion than from institutional unfamiliarity with NbS concepts, benefits, and practical applications in urban and peri-urban contexts. Consequently, investment portfolios are dominated by conventional grey infrastructure proposals, locking local governments and communities into business-as-usual approaches and overlooking NbS? potential to address flooding, heat stress, and biodiversity loss.(See page 13 of the Ceo Endorsement)

The project will confront these contradictions head-on, reframing ravines and urban forests as strategic climate and biodiversity assets, generating well-prepared NbS project profiles, and promoting legal and regulatory reforms to update municipal ordinances and adapt eligibility criteria for public financing streams. These actions will dismantle perverse incentives, close regulatory loopholes, and align land-use governance with a vision of resilient, nature-positive urban development. An additional paragraph on these issues has been incorporated into the CEO Endorsement, in the section addressing barriers, to reflect these findings and proposed responses. (See page 13 of the Ceo Endorsement)

5.5 For NGI Only: Is there a justification of the financial structure and of the use of financial instrument with concessionality levels?

Secretariat comment at CEO Endorsement Request

Agency Responsen/a

6 C. Alignment with GEF-8 Programming Strategies and Country/Regional Priorities
6.1 a) Is the project adequately aligned with Focal Area objectives, and/or the LDCF/SCCF strategy? b) [If a child project under an integrated program] Is the project adequately aligned with the program objective in the GEF-8 programming directions?

Secretariat comment at CEO Endorsement RequestYes

Agency Responsen/a

6.2 Is the project alignment/coherent with country and regional priorities, policies, strategies and plans (including those related to the MEAs and to relevant sectors).

Secretariat comment at CEO Endorsement RequestYes.

Agency Responsen/a

6.3 For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), does the project clearly identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and how it contributes to the identified target(s)?

Secretariat comment at CEO Endorsement RequestYes.

Agency Responsen/a

7 D. Policy Requirements
7.1 Are the Policy Requirement sections completed?

Secretariat comment at CEO Endorsement Request

Agency Responsen/a

7.2 Is the Gender Action Plan uploaded?

Secretariat comment at CEO Endorsement RequestWe see a Spanish version of Gender Action Plan uploaded in the portal. Please upload an English version also.

Agency Response

Agency response 18/08/25;

Comment addressed. An English version of the Gender Action Plan has been prepared and is now uploaded to the portal, in addition to the Spanish version previously available.

7.3 Is the stakeholder engagement plan uploaded?

Secretariat comment at CEO Endorsement RequestPlease provide an English summary of the stakeholder engagement plan.

Agency Response

Agency Response 18/08/25:

Comment addressed. An English summary of the Stakeholder Engagement Plan has been prepared and uploaded to the portal, highlighting the key stakeholders, engagement strategies, participation mechanisms, and monitoring arrangements to ensure inclusive and effective involvement throughout project implementation. The document is charge in the safeguards section identified as an english version.

7.4 Have the required applicable safeguards documents been uploaded?

Secretariat comment at CEO Endorsement Request

We note that IUCN has attached an Environmental and Social Management plan, Indigenous Peoples Plan, and stakeholder engagement plan. The overall environmental and Social risk classified as ?Moderate?. Please provide an English summary of Environmental and Social Management plan, Indigenous Peoples Plan, and stakeholder engagement plan.

GEFSEC October 1

Thanks. Cleared.

Agency Response

Agency Response 18/08/25:

Comment addressed. English summaries of the Environmental and Social Management Plan, Indigenous Peoples Plan, and Stakeholder Engagement Plan have been prepared and uploaded to the portal. These summaries present the main objectives, key measures, risk mitigation strategies, and monitoring frameworks outlined in the full documents to ensure compliance with GEF and IUCN safeguards requirements. The document is charge in the safeguards section identified as an english version.

8 Annexes
Annex A: Financing Tables
8.1 GEF Financing Table and Focal Area Elements: Is the proposed GEF financing (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):
STAR allocation?

Secretariat comment at CEO Endorsement RequestPlease see comment related to PMC cost proportionality.

Agency Response

Agency Response 18/08/82

The co-financing contribution to PMC has been adjusted to maintain proportionality with the GEF contribution, as suggested.

Focal Area allocation?

Secretariat comment at CEO Endorsement Request

Agency Responsen/a
LDCF under the principle of equitable access?

Secretariat comment at CEO Endorsement Request

Agency Responsen/a
SCCF A (SIDS)?

Secretariat comment at CEO Endorsement Request

Agency Responsen/a
SCCF B (Tech Transfer, Innovation, Private Sector)?

Secretariat comment at CEO Endorsement Request

Agency Responsen/a
Focal Area Set Aside?

Secretariat comment at CEO Endorsement Request

Agency Responsen/a
8.2 Project Preparation Grant (PPG)
a) Is the use of PPG attached in Annex: Status of Utilization of Project Preparation Grant (PPG) properly itemized according to the guidelines?

Secretariat comment at CEO Endorsement Request

Please provide details of the activities implemented during the PPG phase rather than listing categories.

GEFSEC September 2

Thanks.

Agency Response

Agency response 20/08/25:

Comment addressed. As suggested, you can see in the chart specific activities under each category, that reflects a compregensive set of activities to develop the project design, engage stakeholders

and develop technical, institutional and financial foundations for implementation. Detailed key PPG activities reflected in the chart and detail here includes:

•Stakeholder Engagement and Consultation: Conducted over 15 structured meetings and workshops with national institutions (MARN, SEGEPLAN, CIV, CONAP, INAB, INFOM), municipal authorities from the Metropolitan Area of Guatemala City and Huehuetenango, academia, private sector, and civil society to validate project objectives, outcomes, and pilot site selection.
•Multi-Actor Final Workshop: Organized a national-level validation workshop with more than 60 representatives from government, municipalities, NGOs, academia, and international partners to review the Theory of Change, Results Framework, and governance arrangements, incorporating final technical and political inputs.
•Project Inception Workshop: Convened the official launch meeting with all executing partners, GEF/IUCN representatives, and key stakeholders to confirm institutional arrangements, work plan, and coordination mechanisms for the project?s initial activities.
•Field Assessments and Site Visits: Undertook on-site visits to critical ecosystems in the AMCG and Huehuetenango to assess biodiversity status, ecosystem services, climate vulnerability, and potential NbS interventions.
•Baseline Studies: Compiled and analyzed existing geospatial, environmental, and socio-economic data, including urban expansion trends, deforestation rates in peri-urban areas, and climate risk maps, to inform the project?s Theory of Change and Results Framework.
•Institutional and Policy Analysis: Reviewed existing national and municipal policies, legal frameworks, and financial mechanisms relevant to urban biodiversity, NbS, and climate resilience, identifying gaps and opportunities for integration.
•Design of Governance Arrangements: Developed the proposed multi-level governance and coordination structure, including the composition and roles of the Steering Committee, Technical Committees, and local coordination platforms.
•Gender and Safeguards Planning: Prepared the Gender Action Plan, Environmental and Social Management Plan, Indigenous Peoples Plan, and Stakeholder Engagement Plan, in line with GEF and IUCN requirements.
•Results Framework and Budget: Finalized the detailed Results Framework, with indicators and targets, and developed the full project budget and work plan in consultation with the executing partners FUNDAECO and Defensores de la Naturaleza.

8.3 Source of Funds
Does the sources of funds table match with the amounts in the OFP's LOE?
Note: the table only captures sources of funds from the country's STAR allocation

Secretariat comment at CEO Endorsement Request

Agency Responsen/a

8.4 Confirmed co-financing for the project, by name and type: Are the amounts, sources, and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines?
e.g. Have letters of co-finance been submitted, correctly classified as investment mobilized or in-kind/recurring expenditures? If investment mobilized: is there an explanation below the table to describe the nature of co-finance? If letters are not in English, is a translation provided?

Secretariat comment at CEO Endorsement Request

Please upload the letter of cofinancing support into the portal?s cofinancing table for the following cofinanciers, they are currently not available, otherwise please remove them from the table: Municipality of Guatemala, Ministry of Environment and Natural resources, Ministry of housing, Ministry of planning.

Municipality of Fraijanes co-financing indicated investment mobilized value of 326,200 in the CEO ER document. However, the letter says that it is a recurrent and in-kind co-finance.

Municipality of Amatitlan co-financing letter has a discrepancy in one of the values. The last row has the value of $6,500,00. It seems one "zero" is missing at the end. Also, it says "investment to be mobilized". Please confirm if this grant is confirmed.

We couldn't find co-financing letters from Ministry of Housing and Ministry of Planning. Please upload or indicate which letter is from them.

Overall- we recommend the agency to review all the co-financing letters and their corresponding type of financing and type of investments and align it in the Co-financing table.

GEFSEC October 1- Cleared.

Agency Response

Agency Response 20/08/25:

Comment addressed. Cofinancing categories review and corrected accordingly. Pending cofinancing letters of Ministry of Environment, and ministry of housing included. Ministry of planning was eliminated.

Cofinancing about Municipality of Fraijanes corrected. Muniicipality of Amatitlan and CALMECAC cofinancing letter was corrected.

Annex B: Endorsements
8.5 a) If ? and only if - this is a global or regional project for which not all country-based interventions were known at PIF stage and, therefore, not all LOEs provided:
Has the project been endorsed by the GEF OFP/s of all GEF eligible participating countries and has the OFP name and position been checked against the GEF database at the time of submission?

Secretariat comment at CEO Endorsement Request

Agency Response
n/a
b) Are the OFP endorsement letters uploaded to the GEF Portal (compiled as a single document, if applicable)?

Secretariat comment at CEO Endorsement Request

Agency Response
n/a
c) Do the letters follow the correct format and are the endorsed amounts consistent with the amounts included in the Portal?

Secretariat comment at CEO Endorsement Request

Agency Response
n/a
Annex C: Project Results Framework
8.6 a) Have the GEF core indicators been included?
b) Have SMART indicators been used; are means of verification well thought out; do the targets correspond/are appropriate in view of total project financing (too high? Too low?)
c) Are all relevant indicators sex disaggregated?

d) Is the Project Results Framework included in the Project Document pasted in the Template?
e)[If a regional/global coordination child project under an integrated program] Does the results framework reflect the program-wide result framework, inclusive of results from child projects and specific to the regional/global coordination child project? [If a country child project under an integrated program] Is the child project result framework inclusive of program-wide metrics monitored across child project by the Regional/Global Child project?

Secretariat comment at CEO Endorsement RequestYes

Agency Responsen/a
Annex E: Project map and coordinates
8.7 Have geographic coordinates of project locations been entered in the dedicated table? Are relevant illustrative maps included?

Secretariat comment at CEO Endorsement RequestYes

Agency Responsen/a
Annex F: Environmental and Social Safeguards Documentation and Rating
8.8 Have the relevant safeguard documents been uploaded to the GEF Portal? Has the safeguards rating been provided and filled out in the ER field below the risk table?

Secretariat comment at CEO Endorsement RequestYes

Agency Responsen/a
Annex G: GEF Budget template
8.9 a) Is the GEF budget template attached and appropriately filled out incl. items such as the executing partner for each budget line?
b) Are the activities / expenditures reasonably and accurately charged to the three identified sources (Components, M&E and PMC)?
c) Are TORs for key project staff funded by GEF grant and/or co-finance attached?

Secretariat comment at CEO Endorsement Request

The table provided is missing the categories and description columns. We kindly suggest the agency to use the template provided in the Guidelines on the Project Cycle, including descriptions for all the individual items, M&E and PMC inclusive. https://www.thegef.org/documents/gef-project-budget-template

We will review the budget table again upon resubmission and provide comments as appropriate.

GEFSEC September 2, 2025

Please note there are sections of text that are presented in Spanish. Please ensure the English version is resubmitted and fit for publication.

It is not necessary to include the decimal places in the budget table (10 000,00), these can be removed for improved readability. (e.g., 10 000,00 should be revised to 10,000).

The budget table contains a single line charged to PMC for ?PMC office supplies? of $180,053. Please request the Agency to confirm that and the personnel to staff the PMU are being sufficiently covered under other sources of funds or revise the budget table to include all PMC eligible uses of GEF financing.

GEFSEC October 1

Cleared by PM for final review by OP.

Agency Response

Agency response 18/8/25:

Comment addressed. The budget table has been reformulated in accordance with the GEF Guidelines on the Project Cycle, using the official GEF budget template. The revised version includes all required categories and detailed description columns for each budget line, specifying the executing partner, as well as allocations for Components, M&E, and PMC.

Agency Response 24/09/25:

Comment addressed. All sections of the budget and narrative have been translated into English to ensure consistency and readability. The budget table has been revised for clarity and consistency, and the PMC line has now been disaggregated into **consultants, contractual services, and office supplies** in accordance with GEF guidance. Additionally, **personnel and operational costs outside of the PMU structure are fully covered by other funding sources**, ensuring that the GEF grant is used exclusively for incremental, project-related expenditures.

Annex H: NGI Relevant Annexes
8.10 a) Does the project provide sufficient detail (indicative term sheet) to assess the following criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments.
b) Does the project provide a detailed reflow table to assess the project capacity of generating reflows? If not, please provide comments.
c) Is the Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat comment at CEO Endorsement Request

Agency Responsen/a

Additional Annexes
9. GEFSEC DECISION

9.1.GEFSEC Recommendation
Is the project recommended for approval

Secretariat comment at CEO Endorsement RequestYes

9.2 Additional Comments to be considered by the Agency during the inception and implementation phase

Secretariat comment at CEO Endorsement RequestFor GHG emission reduction estimation, while it is fine at the design stage to not consider emission avoided from controlling urban sprawl, the PM recommends developing a tool or consulting with peers on a methodology that could support this estimation and report in PIRs.

9.3 Review Dates

	CEO Approval	Response to Secretariat comments
First Review	**7/7/2025**	**8/20/2025**
Additional Review (as necessary)	**7/28/2025**	**9/24/2025**
Additional Review (as necessary)	**9/2/2025**	
Additional Review (as necessary)	**9/8/2025**	
Additional Review (as necessary)	**10/1/2025**	