



## Conservation and Sustainable Management of the Dry Forest Landscape

### Part I: Project Information

**GEF ID**

11016

**Project Type**

MSP

**Type of Trust Fund**

GET

**CBIT/NGI**

CBIT No

NGI No

**Project Title**

Conservation and Sustainable Management of the Dry Forest Landscape

**Countries**

Guatemala

**Agency(ies)**

IADB

**Other Executing Partner(s)**

CALMECAC ? Foundation for the Integral Development of Men and Women and their Environment

**Executing Partner Type**

CSO

**GEF Focal Area**

Biodiversity

**Taxonomy**

Focal Areas, Biodiversity, Mainstreaming, Agriculture and agrobiodiversity, Influencing models, Convene multi-stakeholder alliances, Demonstrate innovative approach, Stakeholders, Local Communities, Type of

Engagement, Partnership, Communications, Behavior change, Awareness Raising, Private Sector, SMEs, Gender Equality, Gender results areas, Access to benefits and services, Capacity Development, Gender Mainstreaming, Sex-disaggregated indicators, Capacity, Knowledge and Research, Learning, Indicators to measure change, Theory of change, Knowledge Exchange, Field Visit

**Sector**

Mixed & Others

**Rio Markers**

**Climate Change Mitigation**

Climate Change Mitigation 1

**Climate Change Adaptation**

Climate Change Adaptation 1

**Submission Date**

5/23/2022

**Expected Implementation Start**

9/15/2022

**Expected Completion Date**

9/15/2025

**Duration**

36In Months

**Agency Fee(\$)**

97,079.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Focal Area Outcomes</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
BD-1-1	A.Improve policies and decision-making, informed by biodiversity and ecosystem values.	GET	407,460.50	2,714,718.00
BD-1-4	B.Manage biodiversity in landscapes and seascapes	GET	614,425.50	2,235,282.00
<b>Total Project Cost(\$)</b>			<b>1,021,886.00</b>	<b>4,950,000.00</b>

## B. Project description summary

### Project Objective

Improve the conservation of the Tropical Dry Forest (TDF) ecosystem and its associated biodiversity by:  
(i) developing a scheme for targeting forestry incentives and strengthening the governance model for their implementation; (ii) facilitating access to incentives and providing technical assistance to beneficiaries in the planning and implementation of the farm plan; and (iii) evaluating the scheme to propose policy recommendations to channel forestry incentives towards the country's conservation needs.

<b>Project Component</b>	<b>Financing Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Environmental Governance	Technical Assistance	<b>Outcome 1:</b> Local and regional institutions strengthened to implement the forestry incentives targeting mechanism for conservation priorities.	<p>1.1 Technical study for the identification of priority areas for the conservation and connectivity of the TDF in the municipalities of Asunción Mita, Agua Blanca and Santa Catarina Mita.</p> <p>1.2 Municipal planning and enforcement tools that support the conservation of the dry forest and its connectivity.</p> <p>1.3 Design and implementation of the system for monitoring the status of the TDF and related biodiversity.</p> <p>1.4 Design and implementation of the engagement, awareness and communication strategy to strengthen governance of the Ostrea Dry Forest Biological Corridor (ODF-BC), which includes gender considerations.</p> <p>1.5 Training workshop(s) for the institutions and stakeholders of the implemented ODF-BC, which includes gender considerations.</p>	GET	264,511.00	2,187,954.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Incentives for the Conservation of the Tropical Dry Forest	Investment	<b>Outcome 2:</b> Forestry incentives focused on the conservation priorities of the Tropical Dry Forest.	<p>2.1. Market analysis of forestry incentive investments that promote the conservation of forests.</p> <p>2.2. 300 Farm Plans prepared that include production and conservation/restoration targets for TDF.</p> <p>2.3. 300 farms implement activities for the conservation of biodiversity and sustainable production.</p>	GET	567,976.00	2,010,282.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Knowledge management, monitoring and evaluation	Technical Assistance	<b>Outcome 3.</b> Share the results of the incentive targeting mechanism with relevant stakeholders.	<p>3.1. Baseline of the project completed.</p> <p>3.2. Impact assessment of the project developed.</p> <p>3.3. Assessments developed that evaluate the project experience, identifying lessons learned and developing recommendations for the use and targeting of forestry incentives for forest conservation and connectivity purposes.</p> <p>3.4. Workshop(s) held for the exchange of experiences with non-beneficiary municipalities with potential for TDF conservation.</p>	GET	96,500.00	301,764.00
<b>Sub Total (\$)</b>					<b>928,987.00</b>	<b>4,500,000.00</b>
<b>Project Management Cost (PMC)</b>						
			GET	92,899.00	450,000.00	
			<b>Sub Total(\$)</b>	<b>92,899.00</b>	<b>450,000.00</b>	

**Project Management Cost (PMC)**

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**Total Project Cost(\$)**

**1,021,886.00**

**4,950,000.00**

**Please provide justification**

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

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Recipient Country Government	Municipality of Agua Blanca, Jutiapa	In-kind	Recurrent expenditures	365,613.00
Recipient Country Government	Municipality of Asunción Mita, Jutiapa	In-kind	Recurrent expenditures	368,281.00
Recipient Country Government	Municipality of Santa Catarina Mita	In-kind	Recurrent expenditures	57,867.00
Other	Zacapa University Center	In-kind	Recurrent expenditures	299,829.00
Recipient Country Government	Ministry of Environment and Natural Resources	In-kind	Recurrent expenditures	1,210,109.00
Recipient Country Government	National Council for Protected Areas	In-kind	Recurrent expenditures	41,696.00
Recipient Country Government	CALMECAC, Foundation for the Integral Development of Men and Women and their Environment	In-kind	Recurrent expenditures	1,763,282.00
Recipient Country Government	National Forest Institute	In-kind	Recurrent expenditures	661,152.46
Recipient Country Government	National Forest Institute	Public Investment	Investment mobilized	182,170.54
<b>Total Co-Financing(\$)</b>				<b>4,950,000.00</b>

**Describe how any "Investment Mobilized" was identified**

Ten virtual workshops were held during 2020 and 2021, with the National Council for Protected Areas (CONAP, for its acronym in Spanish), the National Forest Institute (INAB, for its acronym in Spanish), the Guatemalan Trifinio Commission, Municipalities, among key stakeholders for the conservation of the

Ost?a Dry Forest Biological Corridor (ODF-BC). The objectives of the workshops were to validate the project idea, the theory of change and identify partners and sources of co-financing. Subsequently, the Ministry of Environment and Natural Resources (MARN, for its acronym in Spanish), the Foundation for the Integral Development of Men and Women and their Environment (CALMECAC, for its acronym in Spanish) and the Inter-American Development Bank (IDB) held bilateral meetings to specifically agree on the co-financing resources, their relationship with the expected project outputs and define the necessary arrangements in the governance model for their materialization during the execution of the project. These workspaces allowed for a comprehensive analysis of current and projected investments, key partners, and initiatives that will complement this program. In regards to the mobilized investments that come from INAB, they will be used to finance the forestry incentive program, while support for agricultural and pecuary producers in the Trifinio region in the implementation of good practices and sustainability will be financed by the French Cooperation funded ?Sustainable territorial management of the Mesoamerican Biological Corridor in the Trifinio region, Guatemala, Honduras and El Salvador? project executed by CALMECAC . The objective will be to channel INAB resources and CALMECAC in-kind resources to priority areas for the conservation of the Tropical Dry Forest and expand the impact of the GEF Project

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

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>	<b>Total(\$)</b>
IADB	GET	Guatemala	Biodiversity	BD STAR Allocation	1,021,886	97,079	1,118,965.00
<b>Total Grant Resources(\$)</b>					<b>1,021,886.00</b>	<b>97,079.00</b>	<b>1,118,965.00</b>

**E. Non Grant Instrument**

NON-GRANT INSTRUMENT at CEO Endorsement

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

**F. Project Preparation Grant (PPG)**

PPG Required **false**

PPG Amount (\$)

PPG Agency Fee (\$)

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
<b>Total Project Costs(\$)</b>					<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Core Indicators

**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	3100.00	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)
	1,600.00		

**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)
	1,500.00		

**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)

**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 <sub>2</sub> e (direct)	0	167770.5	0	0
Expected metric tons of CO <sub>2</sub> 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 <sub>2</sub> e (direct)		167,770.5		
Expected metric tons of CO <sub>2</sub> e (indirect)				
Anticipated start year of accounting		2022		
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 <sub>2</sub> e (direct)				
Expected metric tons of CO <sub>2</sub> 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**

	<b>Number (Expected at PIF)</b>	<b>Number (Expected at CEO Endorsement)</b>	<b>Number (Achieved at MTR)</b>	<b>Number (Achieved at TE)</b>
<b>Female</b>		720		
<b>Male</b>		1,080		
<b>Total</b>	0	1800	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

## Part II. Project Justification

### 1a. Project Description

#### a) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed:

The Tropical Dry Forest (TDF) is **critically threatened** globally and Guatemala is not the exception, where it represents 3.67% of the country's territory and, as of 2009, had lost more than 75% of its original coverage. Due to its geographic isolation, this ecosystem presents high levels of endemism, is home to 1,031 species of plants belonging to 135 families (including the highly threatened: *Selenicereus chontalensis*, *Myrtillocactus eichlamii*, *Escontria lepidantha*, *Tillandsia xerographica*) and provides livelihoods and ecosystem services vital to local communities (CDC-Nature Serve, 2009). However, it is one of the least studied ecosystems and most degraded in the country.

The main remnants of viable TDF for conservation in Guatemala are found in the Motagua valley and the Ostúa basin. To date, most conservation efforts have focused on the Motagua Valley and, in 2013, the [Ostúa Dry Forest Biological Corridor \[1\]](#) (ODF-BC) [2] was established, covering 154,454 hectares in the departments of Jutiapa and Chiquimula with the purposes of: (i) Conserving the last remnants of TDF on the eastern slope of Guatemala; and, (ii) Functionally connecting **the protected areas of the Ixtepeque Volcano Multiple Use Area, Ipala Lagoon, Suchitún Volcano Regional Park, Guija Lake Special Protection Area and the Chingo Volcano Definitive Ban Zone**. The Ostua basin TDF plays a relevant role for the connectivity of biological diversity between the different ecosystems of these protected areas (Griscon and Ashton, 2011), considering its high resilience and rapid recovery capacity.

The TDF in the ODF-BC is threatened by the advance of the agricultural frontier and its low representation in the Guatemalan System of Protected Areas. The TDF coverage in the ODF-BC was reduced from 63.53% (2006) to 21.47% (2016), and the area under productive use went from 32.36% (2006) to 72.45% (2016). **If the current rate of forest loss (4%) is maintained, due to the advance of the agricultural frontier, it is very likely that in the next 10 years it will disappear in the country** (CALMECAC, 2014). Likewise, the socioeconomic development challenges of the prioritized municipalities in Jutiapa department accelerate the loss of the TDF. The most common problems that have affected family economy are low production yields and the increase in the cost of the basic foodstuffs, which are related to the advance of the agricultural frontier and the loss of the TDF. In the department of Jutiapa, the Human Development Index (HDI) is 0.593, poverty reaches levels of 47.29% and extreme poverty is 11.1%. According to economic stratification, 78% of the population of Jutiapa is in the low and medium-low categories (UNDP, 2011). The main barriers identified for the conservation of the TDF are:

? **The viable remnants of TDF for conservation are in private and/or collective territories.** To achieve the conservation objectives of the TDF in the ODF-BC, agreements must be reached with the owners of small and medium-sized farms (between 5.6 and 35 ha) to promote sustainable production and conserve the remnants of the forest (Najera, A. 2016 ). In general, producers in the ODF-BC are holders or owners of cattle farms, but due to the low quality of the pastures and long periods of drought, they also grow maize, beans and sorghum in succession to supplement cattle feeding.[3] The land is overutilized or at the limit of being so, and strong soil conservation measures are needed for its use (MARN, 2014). Overgrazing impacts the performance and sustainability of pastures, cattle are commonly rotated in paddocks without considering the recovery time of the pasture and the availability of digestible protein. In addition, traditional burning is used to regenerate pastures and control pests. Remaining forest on these farms are not receiving any management and cattle are often left to graze in these areas, which has had a detrimental effect on the biodiversity of the TDF (CONAP, 2010).

Additionally, producers: (i) Have limited knowledge and use of good agricultural practices; (ii) Are not willing to associate and are not linked to production chains; (iii) Suffer from water scarcity and poor soil; (iv) Have limited access to financing and forest incentive programs; and, (v) Technical assistance is practically non-existent (CATIE, 2018). Women play an important role within the productive systems. However, there are gender gaps that place women at a certain disadvantage and that impose inequalities in access to and control over natural resources and means of subsistence (e.g. land, energy, economic benefits, etc.). Lastly, women's participation in decision-making at home and in the productive system is limited. Generally, women are responsible for the use of water and are aware of its problems, but they are relegated in the decision-making processes for new projects and other aspects (Bosch and others, 1999; DFID, 2001). Sixty seven percent of women in rural areas of the country must request permission to manage household money and 77.8% to carry out other activities, such as working or studying outside the household (ENSMI, 2008-2009). However, due to the effects of climate change, women will have to invest more time to obtain water, firewood or fodder.

? **Forestry incentives currently do not favor TDF conservation.** The execution for Guatemalan forestry incentives started in 1975 through the Fiscal Incentives Program that the government created to introduce individuals or legal entities to make proven expenditures in forestry plantations of no less than 5 ha., allowing a deduction up to 50% of the tax on income and on vehicles registration. This led in 1996 to a new Forestry Law for a new incentives Program (PINFOR, for its acronym in Spanish) that promotes sustainable forestry production in the country. This answer the need to promote reforestation and sustainable forestry management through cash payments to individuals or legal entities that decide to invest un forestry production (CATIE, 2009)[4]. PINFOR was effective from 1998-2016. The Incentive Program for holders of small extension of land with forestry or agroforestry vocation (PINPEP, for its acronym in Spanish). Since 2007, PINPEP has been encouraging holders of small extensions of forested land to establish and manage forestry plantation and agroforestry systems, as well as the management of natural forests for protection and production purposes.

PROBOSQUE[5] is a program that replaces PINFOR since 2017 and aims to increase the country's forest cover, it currently incentivizes the establishment, recovery, restoration, management, production and protection of forests. Land use capacity in the ODF-BC is appropriate for the implementation of agroforestry systems (AFSs) and silvopastoral systems (SPSs), in addition it also has the potential to protect riparian forests, energy forests, reforestation and forest protection. However, it is one of the regions that has the lowest demand for forestry incentives for these categories in the country, this is mainly due to: i) The lack of knowledge of producers about the technical-economic benefits of the AFS/SPS and their implementation; and, ii) The pre-investment cost [6] combined with the poverty condition of 72.2% of Guatemalan producers (INE, 2014) and the lack of credit for the agropecuary/forestry sector. To date, the government has granted US\$ 436 million in incentives, corresponding to 770,800 hectares of tree surfaces to be maintained or recovered (IDB, 2020). However, a robust evaluation has not been carried out to determine the effectiveness of forestry incentive programs. Nonetheless, by responding only to demand they do not deliberately favor areas with high rates of deforestation, conservation priorities and connectivity, which does not ensure its additionality and sustainability.

? **Weak local governance.** Municipalities and national entities with a local presence in the ODF-BC have limited capacities to develop and implement planning and policy instruments, as well as to prioritize forestry incentives, and effectively accompany communities and producers in their implementation. The reduced budgetary capacities of CONAP and other territorial entities have contributed to the degradation of a large part of the forest remnants, including the recurrence of illicit activities in the region. The foregoing, despite the fact that CONAP maintains a constant environmental education program aimed at communities and educational centers, in coordination with INAB and co-administration organizations of protected areas against threats. The Ministry of Agriculture, Livestock and Food (*MAGA*, for its acronym in Spanish), for its part, does not have a sufficient number of extension technicians to provide the necessary technical assistance

in the region. Guatemala's forestry law, Decree 101-96, states that municipalities must support INAB in complying with forest governance. Within the corridor, the municipality of Jerez is the only one that does not have a Municipal Forestry Office (MFO) coordinated with INAB. However, in the other of the municipalities of the ODF-BC, even with an established MFO, there is limited technical capacity to divulge the necessary measures to prevent forest fires and other causes of environmental degradation.

#### **b) The baseline scenario and any associated baseline projects:**

Governance. In 2013 a participatory process began for the development of guidelines for the management strategy and Area Conservation Plan (ACP) for the Ost'a Dry Forest Biological Corridor (ODF-BC) have been developed. The strategy's vision is 'To be a biological corridor that contributes to the conservation of biological diversity and sustainable management of natural resources that provide goods and ecosystem services to the communities of the department of Jutiapa, committed to integral and harmonious development where social, cultural, environmental and ancestral exchange exists.' This guidelines defined the geographic boundaries of the ODF-BC, identified the conservation targets, determined the status of ecological integrity and threats to the conservation targets. Likewise, it defined the following strategic themes: (1) Institutional strengthening; (2) Land use planning; (3) Sustainable management of natural resources; (4) Economic and social development; (5) Communication, education and environmental awareness; and, (6) Research. This process induced the creation of the ODF-BC institutional and stakeholder platform in 2015, which is a space for dialogue, articulation and public-private participation, which also has official recognition from MARN through Ministerial Agreement 200-2015. Likewise, the platform is articulated with the Departmental Environmental Commission (*CODEMA*, for its acronym in Spanish) of Jutiapa, which is led by the Ministry of Environment and Natural Resources (MARN), where there is an active participation of the CONAP, the INAB, the Trifinio Plan, Municipalities, Community Organizations and CALMECAC. The platform's objectives are to provide strategic guidelines and ensure the effective implementation of the proposed plans to achieve the conservation and sustainable development objectives of the ODF-BC. However, there is still a need to increase the participation of the private sector, civil society organizations and community groups. In addition, there is a lack of formal mechanisms for the effective coordination of the institutions and limited or no inclusion of the objectives of the ODF-BC in the municipal budgets and local investment programs.

Municipalities play an important role in the management of natural resources in the ODF-BC and the implementation in their territories of national strategies for conservation and sustainable development. For example, the forestry law indicates that municipalities must establish municipal forestry offices for compliance with municipal policies and regulations, as well as access to forestry incentive programs. These offices have an agreement signed with the INAB to promote the application of the forestry law, especially related to family consumption of forest resources, changes in land use, usage, energy forests, fire prevention, forestry incentives, among others. However, these offices have limited governance and technical and operational capacities to strategically plan and implement ecological restoration programs in the territory, establish nurseries with native species, develop municipal nurseries, actions for the prevention and control of fires, conservation of forests (communal and municipal), registration and control of pruning (removal of vegetation for use), among others, that contribute to the conservation of the TDF.

The Trifinio Plan is one of the institutional stakeholders and key initiatives for the ODF-BC. This institution is responsible for the administration of the Montecristo Trinational Biological Corridor (MCBC) [7] and seeks to: i) Connect the different protected areas of the Trifinio region; ii) Contribute to improving the quality of life of local rural populations; iii) Contribute to the conservation and sustainable use of the natural resources of the municipalities involved in the protected areas of the Trifinio region, including those of the Department of Jutiapa. The Trifinio Plan will implement the project '*Conservation of the Trinational Biosphere of Trifinio, and the Strengthening of the Trinational Structure for the Implementation of the Montecristo Trinational Biological Corridor, Trifinio, in the Trifinio Region (El Salvador, Guatemala and Honduras)*' that seeks to establish the conditions for the transnational management of the Trifinio Fraternidad Transfrontier Biosphere Reserve with funding from the German cooperation. The specific investments of this project that will favor the ODF-BC are:

(i) Implementing incentives for conservation; (ii) Promoting good agroforestry and silvopastoral practices; and, (iii) Strengthening the protected areas of the ODF-BC, especially the Suchit?n Volcano and the Ipala Volcano. The target group is small and medium-sized producers (including the family unit), producer organizations and associations, indigenous people, regional, national and local institutions. This investment began in January 2021 and will end in August 2027. Likewise, a coordination mechanism for activities will be implemented to avoid duplication of efforts and investments and, at the same time, complement actions to promote ecosystem connectivity in the ODF-BC.

•On the other hand, the Zacapa University Center of the *Universidad de San Carlos*, has developed the Zacapa Research Institute, which includes areas such as: (1) Biodiversity; (2) Infectious diseases; (3) Arthropode borne diseases with focus on ecohealth; (4) Master?s Programs; and, (5) Museum and botanical garden. Specifically, in the dry forest ecosystem, a project is being developed for Avian Malaria, for biodiversity in Zacapa, for pollinators in agricultural production systems, and for the reproduction of endangered native plants. The knowledge generated and current scientific capabilities will be key to the mechanism for targeting forestry incentives in the ODF-BC.

Incentives for Conservation and Sustainable Production. In recent decades, the Government of Guatemala has developed a policy, legal and institutional framework aimed at controlling deforestation. Particularly noteworthy are the ?Forestry incentives program *PINPEP*, (2010-present) and *PROBOSQUE*, (2017-present), which are managed by the National Forest Institute (INAB). The following is some data on the areas and amounts incentivized. For PINPEP in Jutiapa (department with the municipalities prioritized for the interventions in the TDF), between 2007-2019, 2,911.71 hectares have been incentivized, mostly under the modalities of Natural Forest Management for Protection and AFS, this resulted a total payment of USD\$ 3,602,469.00. Regarding PROBOSQUE, in Jutiapa, between the period of 2017-2019, 1,408.45 hectares were incentivized, mostly under the modalities of Natural Forest Management for protection and Production, this implied a total payment of USD\$385,621.00. Incentives are granted based on compliance with technical-legal eligibility criteria and demand, and an annual payment is made based on results achieved. Key features of these programs include: (i) Incentives are granted based on demand, provided a technically, legally, and administratively complete application is submitted; (ii) Different forms of land tenure are recognized, such as collective or individual ownership and possession, no property title is required; and, (iii) Annual payment based on results (IDB, 2020). Pre-investment is the responsibility of the beneficiary to receive the incentive, which includes everything from developing the required technical support documents (eg: Forest Management Plan signed by a forest regent) to the initial cost to establish the conservation, plantation, restoration or Agroforestry Systems (AFS) and Silvopasture Systems (SPS). Once the incentive is approved, INAB carries out annual visits to certify compliance with the goals and authorize the respective payment. As mentioned above, given the socioeconomic limitations of inhabitants of the ODF-BC, the initial investment necessary to obtain the incentives is one of the causes for the low demand of forestry incentives in the area.

Additionally, many regulations and processes of the incentive mechanism are complex and are not harmonized between the institutions involved nationally (INAB and CONAP) and locally (departmental governments and municipalities). The foregoing imposes a great challenge to territorialize forest incentives in coordination with local authorities to ensure the necessary technical support during implementation and periodic monitoring, not only when verifying the expected goals. For its part, the Ministry of Agriculture, Livestock and Food (MAGA) does not have enough extension technicians to provide the necessary technical assistance for the implementation of the AFS and SPS in the municipalities. Additionally, the Guatemalan forest law, Decree 101-96, states that the municipalities must support INAB in complying with forest governance (CALMECAC, 2021). Within the corridor, the municipality of Jerez is the only one that does not have a municipal forestry office (MFO) agreed with INAB. However, in the rest of the municipalities, even with an established MFO, there is no technical capacity to promote technical-silvicultural measures aimed at preventing forest fires or forest use licenses, the absence of which also contributed to the degradation of ecological connectivity.

Gender. Guatemala has laws, policies, and strategies that promote gender equality. In 2018, the country obtained 0.286 in the Social Institutions and Gender Index (SIGI), which means that there is a low level of discrimination compared to the Latin American region (Organization for Economic Cooperation and Development, s.f.). However, as in other countries, women face a systematic challenge of disadvantage in their condition, situation and position, which is determined by social, political, economic relations and cultural models.

This problem is also reflected in local governance structures. According to the Gender-Responsive Budgeting (GRB) of 2018, only one activity related to the strengthening of social participation for governance and forest culture was identified in the municipal plans, and the empowerment of women and closure of inequality gaps are not necessarily promoted. In addition, women are underrepresented in decision-making positions at the local level, this is reflected in the National System of Development Councils where, as of June 2014, the presence of women in community development councils ranged from 8% to 20%, and only 8% were community mayors; something similar happens in the departmental and regional councils with a participation of women of 20% and 18%, respectively (Government of Guatemala, 2014). On the other hand, women face difficulties in integrating and remaining in forestry incentive programs due to: i) Lack of knowledge about the existence of incentive programs (INAB/WB, 2019), particularly due to weaknesses in dissemination campaigns that do not reach the municipalities or present a differential approach; and, ii) That the costs to prepare and submit an application for incentives exceed local capacities.

### **c) the proposed alternative scenario with a description of outcomes and components of the project:**

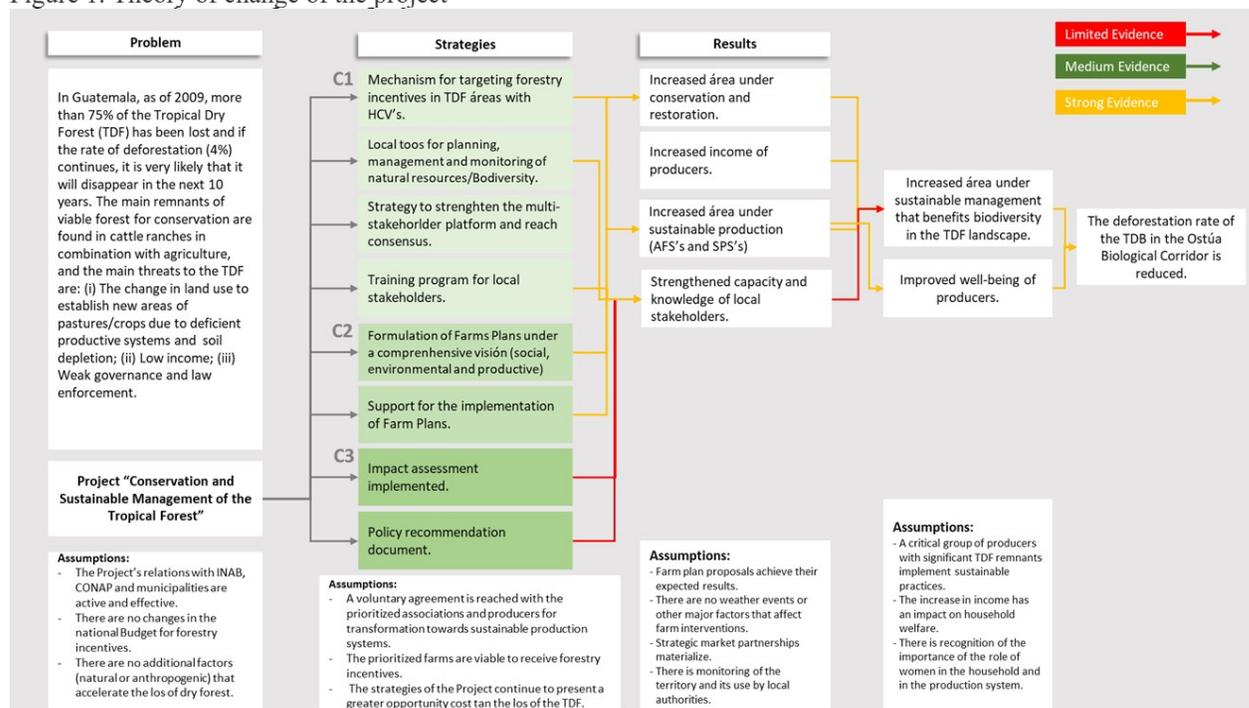
The TDF in the western slope of Guatemala will probably disappear in the next 10 years due to: (i) The advance of the agricultural frontier for the occupation of new areas due to the fact that productive systems are deficient and extensive and deplete natural resources, have low productivity and do not generate profitability; (ii) Little knowledge of the importance of the TDF for the well-being of crops; (iii) Limited knowledge, complexity and high entry costs of forestry incentives for TDF conservation; and, (iv) Weak governance and law enforcement. The project will focus on the municipalities of Agua Blanca, Asunción Mita and Santa Catarina Mita in the department of Jutiapa, which have a territorial coverage of 37,783 ha, with 7,939 ha (28%) of dry forest, 6,332 ha of conservation forest and a potential connectivity of the 5,020 ha ecosystem through agroforestry and silvopastoral systems. Farms larger than 5 ha (mainly in livestock) have the main remnants of viable forest for the conservation of the TDF [8]. The project will seek the following strategic approaches:

? Create the enabling mechanism (local capacities and tools) so that forestry incentives are applied on farms with TDF conservation priorities (component 1). Empirical evidence shows that Payments for Environmental Services (a concept similar to that of forest incentives) can be effective if it is based on scientific foundations, focus on areas where biodiversity is substantially threatened by land uses with low economic returns, and they have a strong institutional framework (Clements et al., 2010; Pattanayak et al., 2010; Börner et al., 2017). Specifically, Alix-García et al. (2012) find that deforestation rates in plots under PES schemes are 50% lower compared to the control group. In addition, considering that the objective of the project is to reduce the expansion of the agricultural frontier in the ODF-BC, forestry incentives can help prevent deforestation and forest degradation (Jayachandran et al., 2016).

? Promote transformation towards productive systems to increase the profitability of the farm, human well-being, avoid deforestation and forest degradation (component 2). Empirical evidence shows that interventions that seek to increase agricultural potential and environmental sustainability, as well as provide technical assistance, have positive impacts on productivity and income. For example, Santos-Montero y Bravo-Ureta, 2017 show that the technologies associated with agroforestry, forestry and mixed systems had positive economic impacts on small and medium producers who participated in

PROSAF in Nicaragua, increasing the value of their agricultural production. This study shows an internal rate of return of 35%. On the other hand, [Gonzalez, 2017](#) shows the positive impacts for the PAGRICC project in Nicaragua, with increases in the value of production as a result of the adoption of environmental restoration systems (including agroforestry, silvopastoral systems, coffee, forest management, natural regeneration). Likewise, technical assistance is crucial for the producer to make adequate production decisions, identify technologies that best suit their needs and reduce productive inefficiency ([Santos-Montero and Bravo-Ureta, 2017](#); [FEDESARROLLO, 2014](#)). Likewise, achieving the full participation of women in public forest services can also contribute to increasing sustainable forest management ([Cook et al., 2019](#)), improving their participation in the public sphere of the community and increasing the well-being and education of their families, since women spend more of their income than men on the household and children.

Figure 1. Theory of change of the project



#### Assumptions Note:

There are no changes in the national budget for forestry incentives. The Article 8 of the PINPEP Law establishes that the Ministry of Public Finance will annually allocate an amount equivalent to 1% and no less than 0.5% of the State's ordinary income budget. For PROBOSQUE, the Article 9 of the Law, establishes that the State will annually allocate an amount equivalent to no less than 1% of the State's ordinary income budget from the General State Budget.

**Component 1. Environmental Governance.** This component seeks to restore the functional connectivity of the ODF-BC through the development of a mechanism for the targeting of forestry incentives and strengthening the local governance model for its implementation. The technical studies and methodology for the identification of priority areas for the conservation of TDF will be financed and the consensus mechanism will be proposed for its application by INAB, MARN, Municipalities and agricultural producers (output 1.1). The study will be based on national cartographic information and, with the support of the project, it will include information verified in the field on the distribution of species, additionality analysis, landscape permeability, tensors and threats, provision of ecosystem services, cost effectiveness, among others. Likewise, three (3) planning and control tools (plan, regulation, ordinance, etc.) will be developed for beneficiary municipalities for the conservation of the forest and its biodiversity, water resource management and land use change, among others (output 1.2). In addition, a system for monitoring the state of the TDF and associated biodiversity (output 1.3) will

be designed and implemented together with the Biological Monitoring Unit of the Trifinio Plan, in order to track the restoration and connectivity processes carried out by the project.

At the same time, the institutional platform of the ODF-BC will be strengthened to jointly build a territorial vision towards the sustainable production and conservation of the TDF, through: (i) Design and implementation of an engagement, awareness and communications strategy (output 1.4) to increase the participation and commitment of the municipalities, farm owners, social organizations and the private sector, ensuring the equitable presence of women in decision-making instances; This strategy will be based on a gender analysis developed at the beginning of the project, which will allow the identification of the gender gaps and will propose affirmative actions to improve political autonomy (decision making) and thus, ensure that women have the right to vote and make decisions regarding biodiversity conservation and access to ecosystem services provided by the ODF-BC; and, (ii) Implement a training program, under a gender-based approach, for local institutions and stakeholders to develop technical skills to implement the incentive targeting mechanism and planning tools (output 1.5). This training program will also be based on gender analysis and the gender action plan, which will provide guidelines for integrating gender-sensitive actions for women to access training and improve their knowledge of planning instruments and decision-making guidelines related to ODF-BC governance.

**Component 2. Incentives for TDF Conservation.** This component will contribute to the conservation and restoration processes of 1,600 ha of TDF, and will promote the transformation towards sustainable production with emphasis on Silvopastoral Systems (SPSs) and Agroforestry Systems (AFSs) in 1,500 ha of the ODF-BC. Based on the results and prioritized areas in component 1, work will be done with cattle farms with extensions greater than 5 ha, which have priority areas for the conservation of TDF, market viability and feasible access to forestry incentives. Likewise, it will benefit primarily, but not exclusively, women heads of households. Therefore, through the payment mechanism for the different types of forestry incentives, it will be carefully monitored to ensure that the economic benefits are directed to women who will be in charge of productive or conservation activities. In this regard, the component will include financing for: (i) A market study in conjunction with local productive associations to identify opportunities that improve the productive system's performance, among them: productive partnerships, value chain agreements, niche markets, etc.; and, (ii) An analysis of the legal, economic, and social viability for the application of forestry incentives and identification of other complementary sources of financing for sustainable productive activities, mainly from partners in the private sector and associations (output 2.1). Voluntary agreements will be signed between the project and at least 300 producers (who meet the criteria described) - directly or through associations or cooperatives identified in the area to receive the support provided by the project. First, farm plans [9] (output 2.2) will be prepared under a family-based approach for each beneficiary, which will include the activities necessary to establish the SPSs and AFSs, and goals (short, medium and long term -10 years) for managing the productive system, conservation and restoration of TDF and its biodiversity, among others, and will also meet the requirements to access forestry incentives. The farm plans will be prepared considering the needs of the women with respect to the production in their farm (when applicable), such as species to be grown, animals to be reproduced, purposes of the production system, among others. Second, the implementation of the Farm Plan will be carried out with resources from INAB's forestry incentives, support from local agricultural associations, counterpart contributions from the owners, and project resources. The contribution of the project (output 2.3) directly to the producers or through associations or cooperatives will be: (i) Technical and legal support to the owners of the farms to obtain the forestry incentives -PINPEP and PROBOSQUE; (ii) Technical assistance to

adopt the SPS and AFS; (iii) Inputs for pre-investment - ecological corridors with natural regeneration or native species, multi-layer live fences, multipurpose forage hedges, and/or electric fences with solar energy; and, (iv) Finance activities for participatory monitoring of biodiversity, control of the main drivers of TDF loss (fences, fire barriers, etc.), actions favoring vegetation for ecological restoration, among others. This implementation activities will take into account women's time and needs in order to achieve their active participation. Financial support for the implementation of the Farm Plan will be granted to the men and women of the household, and 5% of the total number of beneficiaries must be assigned to women heads of households. Support for the implementation of the Farm Plan will have a maximum amount of US\$ 1,000 that can only be used to finance the investments contained in this plan, which will be agreed between the beneficiary and the Executing Agency. Beneficiary producers will be those who: (i) Have completed the Farm Plan; (ii) Have signed a conservation and sustainable production agreement; and, (iii) Have committed to contributing at least US\$1,000 in counterpart resources (cash or in kind).

**Component 3. Knowledge management, monitoring and evaluation.** This component will finance activities for managing and scaling up the knowledge generated in the GEF Project. The systematization of the lessons learned will be financed and its effectiveness will be evaluated in order to replicate it in other areas of the ODF-BC and the country. Information will also be collected on the beneficiary farms to contribute to the impact assessment developed by the *Sustainable Forest Management Project - GU-L1165* to determine the effectiveness of different mechanisms to implement forestry incentives in Guatemala. The foregoing considering indicators of conservation, ecosystem services, production and socioeconomics at the landscape scale and on the farm (output 3.1). As a result, a policy recommendations instrument (output 3.2) will be developed to guide the use and targeting of forestry incentives on underfunded national conservation and connectivity priorities, as well as showing the impact of including other currently unfunded actions within incentives (farm planning, affirmative actions to conserve biodiversity, pre-investment inputs, etc.). A document that showcases the project's experience in strengthening women's participation in local governance mechanisms for conservation and sustainable production will be developed (output 3.3). Special emphasis will be given on the results derived from the Engagement, Awareness and Communication Strategy and the Gender Action plan implementation. These documents will identify all the affirmative actions that made it possible to close the gender gap and improve some dimensions of women's political and economic autonomy in relation to access and use of natural resources. Also, three workshops for the exchange of experiences will be carried out (output 3.4) with non-beneficiaries municipalities with conservation potential of the TDF and other strategic ecosystems.

**d) Alignment with GEF focal area and/or impact program strategies:**

The project is aligned with the Biodiversity Focal Area, specifically in the I-A objective: *Improve policies and decision-making, informed by the value of biodiversity and its ecosystem services,* by including biodiversity requirements in the territorial planning tools of the beneficiary municipalities and mainly with the mechanism for targeting national forestry incentives on the most threatened and least represented conservation priorities in the national system of protected areas (component 1). In addition, with objective I-B: *Integrate and manage biodiversity in priority sectors in land and sea passages,* through work with ranchers and farmers in 3,100 ha to conserve the TDF and promote sustainable production (component 2).

**e) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing:**

If the current development and growth scenario in the ODF-BC is maintained for the next few years, forestry incentives will be applied based on demand only, and not intentionally in priority areas for conservation and with high additionality. The foregoing will also mean that the efforts for the transition towards sustainable practices do not achieve a critical mass of area/producers that reverse the trends of biodiversity loss and TDF degradation. In addition, local entities, the productive sector and CSOs will not participate fully and in coordination in conservation actions; nor the technical capacities for the use of information that considers the benefits of biodiversity and its ecosystem services in the territorial planning of the municipalities. All of the above will lead to the materialization of current projections and the TDF will disappear in the next 10 years on the eastern slope of Guatemala. The Project, through its strategic lines of action, seeks to reverse the trends of loss of the TDF and create local capacities to maintain it in time and expand it to other areas of the ODF-BC and the country, based on the recommendations of the available empirical evidence.

**f) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF):**

<b>Current Scenario</b>	<b>Impacts on Global Environmental Benefits (GEB)</b>	<b>Alternative scenario proposed by the project</b>	<b>Expected GEB</b>
<p>The coverage of TDF in the ODF-BC was reduced from 63.53% (2006) to 21.47% (2016) due to the advance of the agricultural frontier. The land is overutilized, burning is used to regenerate pastures and control pests. The remaining forest on these farms is not subject to any type of incentive or management.</p>	<p>The deforestation and degradation of the TDF threatens its biodiversity, which includes 1,031 species of plants belonging to 135 families (including the highly-threatened <i>Selenicereus chontalensis</i>, <i>Myrtillocactus eichlamii</i>, <i>Escontria lepidantha</i>, <i>Tillandsia xerographica</i>, <i>Ctenosaura flavidorsalis</i>, <i>Setophaga chrysoparia</i>, <i>Oreophasis</i></p>	<p>Enabling mechanism (local capacities and tools) developed and being implemented so that forestry incentives are focused on areas where biodiversity is substantially threatened and presents additionality for TDF conservation.</p> <p>Production systems increase the profitability of the farm, human well-being, do not generate deforestation and conserve TDF.</p>	<p>? 3,100 hectares in the ODF-BC under management that benefits biodiversity, of which 1,500 ha under sustainable production and restoration, and 1,600 ha under conservation.</p> <p>? 1,500 people Benefit from the conservation management of the TDF.</p> <p>? 3 national and/or local policy instruments to benefit biodiversity.</p> <p>? 1 Mechanism for focusing on priorities for the conservation of Biodiversity.</p>

Municipalities and national entities have limited capacities to develop and implement planning and policy instruments, as well as to territorialize forestry incentives.	<i>derbianus</i> , <i>Swietenia humilis</i> , among others).		
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**g) Innovativeness, sustainability and potential for scaling up:**

The **innovation** that the project will promote, in the Guatemalan context, is the **targeting of forestry incentives** on conservation priorities that are not addressed or are most threatened. The project will develop a cost-effective methodology based on geospatial information and field information to identify these priorities, and will strengthen the capacities of national and local stakeholders for its implementation. Although the literature recommends that targeting mechanism be used to successfully implement payments for environmental services and similar mechanisms, it has not been applied in Guatemala, and there are few documented experiences in Latin America.

**Sustainability** is given by the focus of the project by **directly addressing low agricultural productivity** as the main engine of the TDF. Producers will be supported with tools to access better markets, increase productivity and yields, as well as raise awareness of the importance of the TDF for the well-being of production systems. The project will propose a solution that, in addition to conserving the TDF, will help improve the socioeconomic conditions of families, which will have an impact on the paradigm of how producers perceive the forest as an asset. Likewise, the activities to empower local stakeholders, especially women, in the governance platforms (component 1), the social agreement for the conservation of the TDF and the strengthening of local institutions for law enforcement, will be key to ensure continuity of efforts.

**Scaling Potential.** Within the framework of the ODF-BC multi-stakeholder platform, it is expected that with the tools developed by the project this initiative will be scaled up to other areas with conservation priorities that could result in the conservation of an additional 28,324 ha of TDF. In addition, the functional connectivity strategy for the protected areas subsystem of the Trifinio Trinational Biological Corridor will be supported. In addition, through component 3 and in collaboration with the IDB project [GU-L1165](#), an assessment of the impact of forest incentives in Guatemala will be carried out to determine the effectiveness of the proposed mechanism in conservation, avoiding deforestation and socioeconomic benefits in the beneficiary populations. Based on the results of the impact assessment, a policy recommendation document for forestry incentives will be developed.

[1] Delimited geographic space that provides connectivity between landscapes, ecosystems and habitats, natural or modified, and ensures the maintenance of biodiversity and ecological and evolutionary processes (CCAD, 2007).

[2] Ministerial Agreement 200-2015, MARN.

[3] The distribution of rainfall determines the need for irrigation, the main natural threat is drought and low soil potential for groundwater is identified (MAGA, 2012).

[4] Larrazabal, Melgar, L.B, et.al. CATIE. 2009. Programa de Incentivos Forestales (PINFOR) de Guatemala. <https://repositorio.catie.ac.cr/handle/11554/10154>

[5] Law to promote the Establishment, Recovery, Restoration, Management, Production and Protection of Forests in Guatemala (Decree number 2-2015)

[6] For those AFS/SPS schemes that require expensive inputs for their establishment (up to US\$ 500/Hectare - MARN, 2016).

[7] The ODF-BC is a sub-corridor of the Montecristo Trinational Biological Corridor (MTBC), which in turn is part of the Mesoamerican Biological Corridor.

[8] Smaller farms no longer have viable forest patches for conservation.

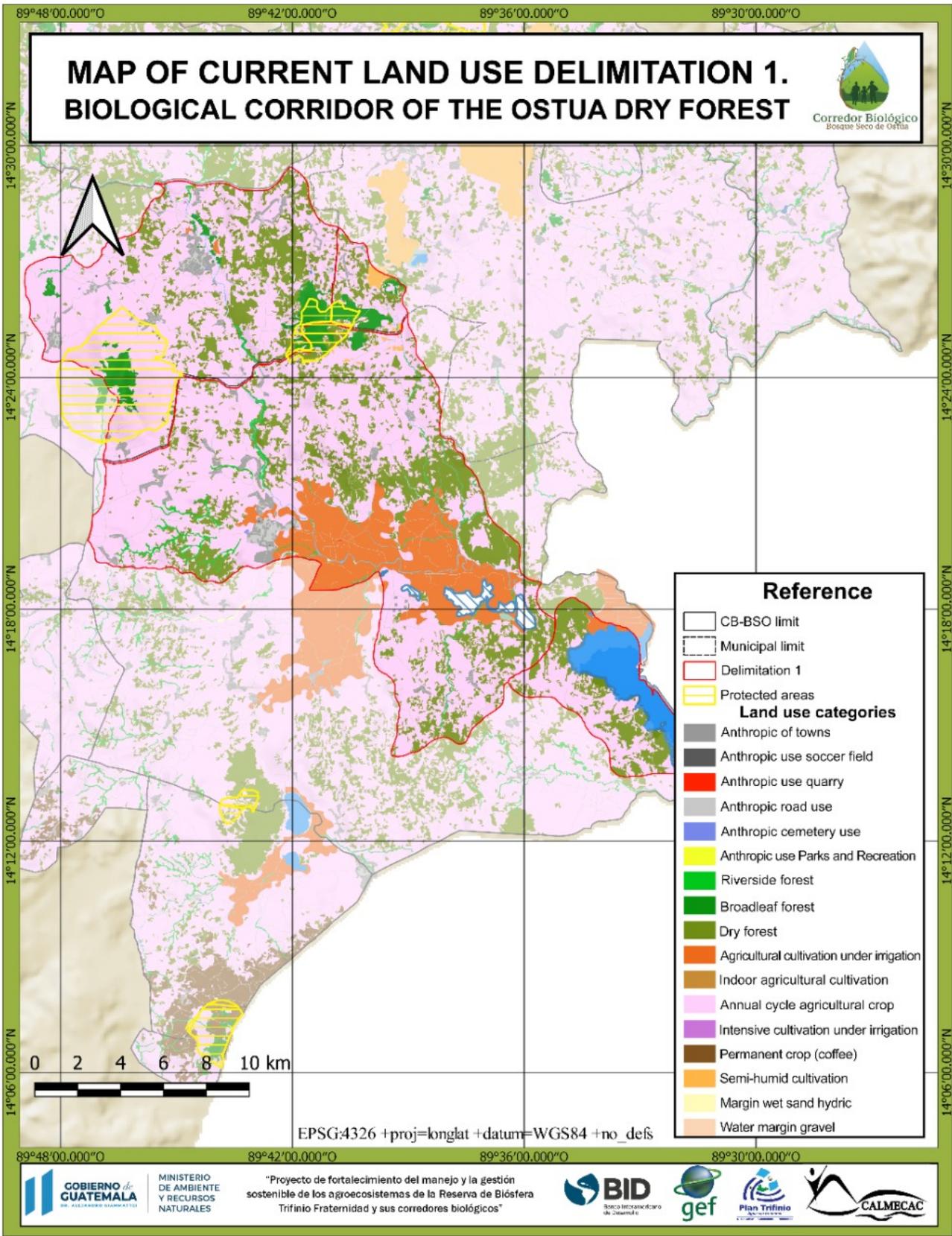
[9] The Farm Plan is a planning tool that contains information on the current situation at the household and farm level, and which seeks to identify the needs for improvement in both areas. The objective of this plan is to serve as a decision-making instrument for families as a basis for improving the food and nutritional situation of the family group, through the biophysical improvement of the farm, the productive systems and the household. (FAO, 2011)

#### **1b. Project Map and Coordinates**

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

Currently the Biological Corridor has an extension of 155,173.25 ha, where 28,324 ha of dry forest fragments are located, and 4,103.00 ha of cloud forest and broadleaf forest. The municipalities where the project actions will be focused are located according to the following official reference coordinates: (1) Santa Catarina Mita 14°27'4.7" N 89°44.571' O; (2) Asunción Mita 14°20'1.1" N 89°42.656' O; (3) Agua Blanca 14°29'53" N 89°38.977' O.

# MAP OF CURRENT LAND USE DELIMITATION 1. BIOLOGICAL CORRIDOR OF THE OSTUA DRY FOREST



Reference	
	CB-BSO limit
	Municipal limit
	Delimitation 1
	Protected areas
Land use categories	
	Anthropic of towns
	Anthropic use soccer field
	Anthropic use quarry
	Anthropic road use
	Anthropic cemetery use
	Anthropic use Parks and Recreation
	Riverside forest
	Broadleaf forest
	Dry forest
	Agricultural cultivation under irrigation
	Indoor agricultural cultivation
	Annual cycle agricultural crop
	Intensive cultivation under irrigation
	Permanent crop (coffee)
	Semi-humid cultivation
	Margin wet sand hydric
	Water margin gravel



EPSG:4326 +proj=longlat +datum=WGS84 +no\_defs



MINISTERIO DE AMBIENTE Y RECURSOS NATURALES

"Proyecto de fortalecimiento del manejo y la gestión sostenible de los agroecosistemas de la Reserva de Biósfera Trifinio Fraternidad y sus corredores biológicos"



### 1c. Child Project?

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

### 2. Stakeholders

**Please provide the Stakeholder Engagement Plan or equivalent assessment.**

The identification of project stakeholders was carried out as part of the design following the respective IDB Group and GEF policies. This analysis made it possible to identify the different stakeholder groups, their interests and their relationship with the future activities of the Project. A series of virtual meetings to gather information and eight meetings were held to define the proposed intervention with representatives of local and national governments, private sector and civil society organizations. Subsequently, three virtual meetings were held (11/22/2021 to 12/03/2021) to carry out discussions in plenary session and reach a consensus with all stakeholders on the development of the Project. These meetings brought together more than 25 people representing 15 institutions and organizations related to conservation and sustainable development.

Attached find the Summary Report of the Project's Dissemination process, as a result of the last meetings held amongst stakeholders.

This allowed identifying the key stakeholders, discuss their possible roles and level of participation. Additionally, the objectives to be achieved when the Stakeholder Participation Plan is designed at the beginning of the project start-up were defined. Lessons learned from previous GEF and IDB projects in the country will be taken into consideration, as well as the experiences of environmental institutions and local organizations in the ODF-BC. The main objectives that this plan will have are: (i) To establish a systematic approach to the participation of stakeholders to build constructive and sustainable relationships throughout the project cycle; (ii) Ensure that the opinions of the interested parties are considered in the implementation of the project; (iii) Promote the inclusive and effective participation of those affected; (iv) Ensure that adequate information on environmental and social risks and impacts is disclosed to interested parties in an accessible, timely, understandable and appropriate manner; and, (v) Provide inclusive mechanisms for the parties involved in the project to raise problems and complaints and respond to said complaints and their management. The Participation Plan will be part of the engagement, awareness and communications strategy to strengthen the governance of the ODF-BC, considering a gender-based approach.

This Participation Plan will be prepared by the EA at the beginning of the project, so that in the first year of execution a series of dialogues and socialization activities will take place to allow the collection of inputs for the development of the Stakeholder Participation Plan, which will be an important part and input for the strategy of engagement, awareness and communication of the project (component I). The Participation Plan, as well as the Gender Action Plan, will be presented to the GEF in the first year of execution and will be monitored jointly and periodically between the EA and the IDB.

In the stakeholder identification phase, the key stakeholders that could be affected by the project were identified: (i) Beneficiaries of the local community in the area of ??intervention of the project, including farmers and ranchers, who are considered vulnerable and disadvantaged groups; (ii) Project partners, including the Departmental Environmental Commission (CODEMA) of Jutiapa, the Ministry of Environment and Natural Resources (MARN), the National Council for Protected Areas (CONAP), the National Forest Institute (INAB), the Trifinio Plan, Municipalities, Community Organizations and the Foundation for the Integral Development of Men and Women and their Environment (CALMECAC); (iii) Organization and associations of the agricultural sector, among them: Association of Dairy Farmers of Agua Blanca (*ALAB, for its acronym in Spanish*), Association of Cattle Breeders of Agua Blanca, Association of Ranchers and Farmers of Agua Blanca (*AGAB, for its acronym in Spanish*), Association of Ranchers of Santa Catarina Mita, El Mezcal Coffee Growers? Cooperative, Association of Farmers of Suchit?n; and, (iv) NGOs and international cooperation agencies, including the German Development Bank (KFW) and CATIE, among others.

Stakeholder	Role within the Project
MARN	Will be part of the Steering Committee of the project, and will provide follow-up to the implementation. It will have an important role in coordinating different stakeholders at the national level. In addition, in the project area there is a departmental delegation from MARN, which will provide technical and institutional support to all project activities through designated staff.
CONAP	Managing entity of the protected areas connected throughout the ODF-BC. It will be part of the Steering Committee and will participate in the planning and implementation of all project activities, having a vital role in the technical coordination (component 1) for biodiversity monitoring, restoration and conservation of the TDF for PAs connectivity. In addition, it will provide technical support through its regional office located in the department of Jutiapa.
INAB	Entity that manages the Forest Incentive Programs. It will be part of the project?s Steering Committee. It will participate in the planning and implementation of all project activities, mainly in the technical coordination (component 1) of the review, processing, approval and implementation of forestry incentives.
TRIFINIO	It is a multi-country regional organization that is part of the Central American Integration System (SICA), which seeks to develop a process for managing the environment and the territory, in order to improve the living conditions in its area of influence. It will be part of the Steering Committee and will participate in the planning and implementation of all its activities, mainly as a channel of coordination with local governments.
Municipality of Asunci?n, Mita Agua Blanca and Santa Catarina Mita	Project activities will be planned in coordination with project beneficiary municipalities; they have a key role in articulating the municipal areas that are present in the corridor, ensuring the sustainable use of TDF, and including criteria for its conservation in local planning.
ODF-BC Multi-stakeholder Platform	This platform is responsible for the coordination of municipal institutions, national authorities, the private sector, academia, research centers and civil society organizations of the Ost?a Dry Forest Biological Corridor (ODF-BC). This space will be key for activities to strengthen governance of component 1 and to promote conservation and production agreements of component 2.

Agricultural and Livestock Union	The Association of Dairy Farmers of Agua Blanca (ALAB), Association of Cattle Breeders of Agua Blanca, Association of Ranchers and Farmers of Agua Blanca (AGAB), Association of Ranchers of Santa Catarina Mita, El Mezcal Coffee Growers Cooperative, and Association of Farmers of Suchit?n. These organizations will be key to the formulation and implementation of the Farm Plan (outputs 2.2. and 2.3). A representative of the associations will be part of the Steering Committee and another representative will be part of the Technical Committee. The agricultural union is part of the beneficiaries of the project, who will implement productivity actions under a biological connectivity and restoration-based approach. The project will facilitate their linkage to achieve their active participation, through the platform or Governance Committee of the ODF-BC, and with government institutions and producers. The consultancy on the engagement, awareness and communications strategy will provide support by facilitating the internal and external communication processes of the project between beneficiaries and key stakeholders of the project.
CALMECAC	The CALMECAC Foundation is the proposed Executing Agency to implement the project, responsible for executing the activities proposed in the 3 components and setting-up and coordinating the Technical Coordination Unit (TCU). It will be responsible for executing the procurement plan, annual operating plans, and technical and financial reports in accordance with the Bank?s policies and procedures. It will be in charge of the follow-up and monitoring of the project.
IDB	The IDB is the implementation agency with the role of administrator of the resources. It will work together with the EA to define and approve the procurement plan. It will monitor the action plans: Gender, Stakeholder Participation and Knowledge Management in conjunction with the EA. It will be responsible for making the disbursements during the project execution period. It will review and approve the audits corresponding to the financial statements on an annual basis.

The stakeholders described in the table were part of the project design process, and participated in the virtual meetings for the collective construction and validation of this proposal, between 2020 and 2021.

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.

**Participation Plan.** It is worth mentioning that the first component of the project includes actions to promote participation, involvement and establish long-term relationships between all parts of the ODF-BC stakeholders? platform. In addition, the project will develop an awareness and communications strategy in this component, which will be developed in parallel with the Stakeholder Participation Plan. The current identification of stakeholders will be adapted to the implementation needs at the beginning of the project. The communications strategy will be developed considering gender and cultural-sensitive approaches to contribute to increase stakeholder understanding and ownership of the project and ODF-BC?s environmental objectives. In addition, dialogue and consultation with stakeholders will continue throughout project implementation. Their effective participation will be ensured through workshops, talks with experts, field visits, interviews, meetings of the project?s governing bodies, exchange of experiences, among others.

Other essential mechanisms to engage stakeholders include the Gender Action Plan and the Knowledge Management Plan to be implemented by EA. In addition, the EA will receive inputs from the Project Steering Committee to promote the participation of the interested parties and mediate in the conflicts that may arise between them. Periodic monitoring of these plans (for stakeholder participation, gender, and knowledge management) will be carried out in coordination between the EA and the IDB. Likewise, participation will not be carried out by traditional means and will be flexible. For example, the COVID19 pandemic, with the restrictions imposed and the social and cultural impact, demanded adaptation in the design, preparation and socialization of the current project. Finally, and when it is manageable, face-to-face workshops will be held with the local communities to consult the project, including the safeguard instruments and action plans with the indigenous communities.

**Select what role civil society will play in the project:**

**Consulted only;** Yes

**Member of Advisory Body; Contractor;**

**Co-financier;**

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

**Executor or co-executor;** Yes

**Other (Please explain)**

**3. Gender Equality and Women's Empowerment**

**Provide the gender analysis or equivalent socio-economic assesment.**

As mentioned in the first section, one of the main barriers that the project will face is the limited participation of women, mainly in decision-making, in local governance instances and in the management of productive systems. To overcome the barriers, the project proposes the following approaches:

? **Strengthen the executing agency and coordinating unit.** The Project Coordination Unit and key implementing partners will be trained to develop, implement and monitor gender equity strategies throughout the project. In addition, as part of the monitoring activities, Gender Action Plan indicators and other data will be collected and analyzed to tailor project activities and increase women's participation.

? Provide **tools and strengthen capacities to ensure the inclusion of women and youth** in leadership positions in the **ODF-BC governance** model. Women will be promoted to have a voice, vote and decision-making, by: i) Showing the significant contributions of women to conservation and sustainable development; ii) Implementing training activities, with cultural relevance, to increase awareness and build basic capacities for gender equity; and, iii) Incorporate gender equality in the

statutes and constitution of the ODF-BC governance model. As a result, it is expected that 30% of women participate in decision-making bodies.

? **Promote a family approach in decision-making on farms.** The project will follow a ?family-based approach? seeking for the entire family unit to receive the benefits and participate in decision-making on the farm, and not just the owner or manager of the production system, who are usually men. In addition, women will jointly sign the conservation and sustainable production agreements, and their participation in decision-making in the development of the Farm Plan will be sought. The project will implement technical assistance under a gender-based approach, considering women?s time availability, child care needs, including female technical assistants, among others. Finally, priority will be given to households headed by women within the areas prioritized by the project.

The Gender Action Plan will be developed in a participatory manner at the beginning of the project by the EA. For this, some general guidelines are presented below that arise from a workshop with the Gender Directorates of CONAP, MARN and INAB, which is based on the Roadmap for the Incorporation of Gender Considerations in the national REDD+ process. Due to that, this planning instrument is consistent with the areas of intervention of the project. The Gender Action Plan will form part of the project?s Engagement, Awareness and Communications Strategy (Component I). A document with the identification of strategic actions for the incorporation of gender considerations in the national REDD+ process is attached, this will be a guide to prepare the Gender Action Plan at the beginning of the project. Said Plan will be presented to the GEF in the first year of execution and will be monitored jointly and periodically between the EA and the IDB.

#### Guidelines for the Gender Action Plan

Activity under a Gender-based approach	Indicator	Goal	Baseline	Budget	Timeline	Responsible
Design and implement a strategy to increase stakeholder participation and strengthen governance of the ODF-BC, which includes gender considerations.	Percentage of women who participate in the ODF-BC multi-stakeholder platform.	40%	20%	Included in the product budget.	Throughout the project.	Project executor and technicians.
	Percentage of women who participate in the decision-making of the ODF-BC multi-stakeholder platform.	30%	0	Included in the product budget.	Throughout the project.	Project executor and technicians.
Local capacity building program includes gender modules.	Number of people trained.	60 (initially)	0	Included in the product budget.	Years 1, 2 and 3.	Project executor and technicians.

Farm Plans developed under a family-based approach. (output 2.2.)	Women heads of households benefited by the project.	5%	0	Included in the product budget.	Throughout the project.	Project executor and technicians.
	Women who actively participate in the formulation of the Farm Plan.	100%	0	Included in the product budget.	Throughout the project.	Project executor and technicians.
Communication and awareness campaign on the importance of the TDF highlights the contribution of women to conservation and sustainable production. (output 1.4.)	Number of communication materials that include gender considerations.	50%	0	Included in the product budget.	Throughout the project.	Project executor and technicians.
Document systematizing the strengthening of women's participation in local governance mechanisms for conservation and sustainable production. (output 3.3.)	Guidance	1	0	20,000	Year 3	MARN, Project executor and technicians.
Monitoring of women's participation in project activities.	Monitoring system implemented	1	0	Included in the product budget.	Throughout the project.	Project executor and technicians.

**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;** No

**Improving women's participation and decision making** Yes

**Generating socio-economic benefits or services or women** Yes

**Will the project's results framework or logical framework include gender-sensitive indicators?**

Yes

**4. Private sector engagement**

### **Elaborate on private sector engagement in the project, if any**

In the intervention area, the private sector is organized along specific activities (for example, coffee), rather than broader affinities. Six associations and cooperatives of farmers, dairy farmers and ranchers were identified, which will be involved in the governance of the project and will be strengthened so that they participate in the implementation of the activities of the first and second components, thus empowering themselves by the practices and strategies developed by the project and ensuring sustainability. They will mainly play a key role in the identification and implementation of market strategies that make production systems viable. The project will facilitate their linkage to achieve their active participation and, through the platform or Governance Committee of the ODF-BC, between government institutions and producers. These six organizations are: Association of Dairy Farmers of Agua Blanca (ALAB), Association of Cattle Breeders of Agua Blanca, Association of Ranchers and Farmers of Agua Blanca (AGAB), Association of Ranchers of Santa Catarina Mita, El Mezcal Coffee Growers' Cooperative, and Association of Farmers of Suchitún.

### **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):**

In accordance with the IDB's policy for environmental and social safeguards (OP-703), the project was classified under category C (low risk) because it has environmental and social impacts that can be mitigated through standard measures. Positive impacts are expected on the livelihoods of the population, participatory governance, resilience to climate change and conservation of threatened biodiversity. Four (4) culturally-appropriate public consultations with the stakeholders of the prioritized landscape were carried out to validate the project proposal. The results of this entire process will be made public on the IDB website. Below is an analysis of the risks of the project and their proposed mitigation measures:

**Threats and vulnerability to climate change.** The Climate Risk and Adaptation Country Profile (GFDRR, 2011) concludes that it is not possible to obtain a clear picture of precipitation change for Guatemala under a future climate scenario. This is due to the large uncertainties in the models used for the projections. Some models suggest a drought trend and other models suggest a more humid future. However, what is clear is that Guatemala will experience greater climate variability and extreme events. A report prepared by MAGA (2020) indicated that crops such as maize, beans, bananas, plantain and coffee were the most affected by tropical storm Iota and hurricane Eta, causing losses in the ability to access food and reduction of sources of income.

Based on the above analysis, the moderate risk rating for the project is appropriate considering that with the current projections, still unclear, an increase in temperature and a reduction in rainfall are expected for the ODF-BC area. However, this scenario is considered manageable and is expected to have a limited impact on project results. First, it is important to consider that the TDF can recover despite having suffered severe degradation. TDFs have the potential to recover a mature state faster than humid forests, so they can be considered more resilient to climate change and are strategic source of ecosystem services and germplasm bank pre-adapted to possible future climatic conditions (Carrera, JL et al, 2019). Second, the project is expected to improve resilience to future climatic events in the project landscape through actions such as ecological restoration and sustainable production, which will improve ecosystem connectivity between the system of protected areas in southeastern Guatemala.

Mitigation measures: The project does not consider within its lines of action changes in policies, laws and regulations at the national level because there are sufficient climate change policy instruments in the country [CC Law, Climate Change Action Plan (CCAP), National Climate Change System (NCCS), National CC Council, etc.). However, the project will seek to strengthen local governance structures for the effective implementation of this policy framework (including national forestry incentive programs) from a comprehensive approach in the prioritized landscape. In addition, climate considerations will be

included in farm planning, both for mitigation and adaptation in productive systems and conservation of biodiversity. Conservation, restoration, and the implementation of landscape management tools will be developed under a connectivity-based approach (between protected areas and riverbanks) that will contribute to building social, economic, and environmental resilience.

<b>Type of Risk</b>	<b>Risk</b>	<b>Description</b>	<b>Score</b>	<b>Actions</b>
Governance	Local capacities	Limited capacities of the linked stakeholders (public and private) to accompany the implementation of the project, which may affect the expected outcomes.	Moderate	Component 1 includes several activities to strengthen governance in ODF-BC, including: 1) Having a culturally-appropriate and gender-responsive local capacity building program; 2) Planning and control tools to strengthen technical capacities and law enforcement; 3) A strategy will be designed and implemented to motivate participation and maintain the interest of the different stakeholders.
	Low participation and coordination	Low participation of women in the decision-making spaces of the ODF-BC governance platform.	Moderate	A Gender Action Plan will be developed to provide the tools for the effective inclusion of women in project activities. In addition, participation indicators are monitored quarterly to make the necessary adjustments.
Development	Economic displacement	The project could limit beneficiary access to natural resources (land and water) in areas important for TDF conservation due to voluntary conservation and sustainable production agreements, which could cause economic displacement.	Low	The following mitigation measures are proposed: 1) Conservation and sustainable production agreements will be voluntary and with the objective of maximizing the benefits of the production system and conserving TDF; 2) Farm Plans will be formulated in a participatory manner with the beneficiary households; and, 3) The IDB has mechanisms to address complaints or claims as part of the social and environmental safeguards.

	Exotic and invasive species	Problems in the design and execution of the project may affect critical or sensitive habitats, through the introduction of invasive exotic species.	Low	As a mitigation measure: 1) The project will only use native and local species for restoration activities and based on CONAP guidelines -in accordance with GEF and IDB safeguard policies; 2) INAB and CONAP, as governing bodies for forests and biodiversity, will provide the technical guidelines for restoration.
Development	Vulnerability to climate change	The results are not achieved because the activities and the stakeholders of the project will be vulnerable to the impacts of climate change.	Moderate	As a mitigation measure, the project will: i) Seek to strengthen local governance structures for the effective implementation of this policy framework (including national forestry incentive programs); ii) Property planning will include climate elements, both for mitigation and adaptation in productive systems and biodiversity conservation; iii) Conservation, restoration and the implementation of landscape management tools, will be developed under a connectivity-based approach (between protected areas and riverbanks) that will contribute to environmental resilience.
	Expected results	The expected economic benefits for producers are not achieved due to market limitations (low demand, unfavorable prices, etc.).	High	Considering the lessons learned from other projects, the following will be financed: (i) As a first activity, a market viability analysis to ensure that the planning of the farm responds to the considerations of the target market; and, ii) Associativity and formal linkage to established value chains will be promoted.

		Delays in execution due to the effects of the COVID-19 pandemic, particularly the early stages of project implementation.	Moderate	To mitigate this risk: i) It will be monitored fortnightly and the biosafety protocols established by the national and local government will be followed; ii) When it is not feasible to carry out field work, it will be rescheduled or virtual tools will be used -if they are equally effective; iii) The annual work plan will be assessed quarterly with the project partners to propose the necessary adjustments; iv) A communications strategy will be designed and implemented that considers the limitations derived from the pandemic.
Fiduciary	Executing Agency Capacity	Delays in execution due to the inexperience of the executing agency in IDB procedures.	Moderate	An analysis of the institutional capacity of the executing agency was carried out and improvement measures, necessary partnerships and additional resources to be contracted were identified. In addition, the IDB technical team will provide training and permanent technical support to the executing agency.

## 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.**

At the request of MARN, CALMECAC will act as the Executing Agency responsible for providing administrative, financial and technical assistance during project implementation. CALMECAC is a non-profit organization that values life and diversity, promoting the sustainable management of natural resources with the direct participation of national public stakeholders, municipal governments, social organizations, and the private sector. CALMECAC's actions and projects are part of the following programs: (1) Institutional Strengthening for Effective Governance; (2) Natural Resources and Biological Diversity Ensuring the Populations' Livelihoods; (3) Sustainable Economic-Social Development; and, (4) Social Audit and Political Participation. This organization has as its area of influence the geographic areas of: (1) Verapaces; (2) Eastern territories; (3) Western Highlands; (4) Peten; and, (5) the Guatemala City Metropolitan area. In addition, CALMECAC has been an active member since the creation of the ODF-BC Multi-stakeholder Platform and has contributed to its official recognition by MARN and CONAP through Ministerial Agreement Number 200-2015, issued on July 14 of 2015. The objectives of this Agreement are: i) To connect the different protected areas of the Trifinio region, seeking to reduce the negative impacts caused by the loss of habitats and the fragmentation of the landscape; ii) Contribute to improving the quality of life of local rural populations, through the integration of civil society, in the generation of local and regional social, economic and cultural opportunities; iii) Contribute to the conservation and sustainable use of the natural resources of the Municipalities involved in the protected areas of the Trifinio region of the Department of Jutiapa.

The Project will have a Steering Committee (SC) made up of the main partners: MARN, CONAP, INAB, one (1) beneficiary municipality and one (1) local agricultural association. The SC will be responsible for providing strategic guidance, promoting partnerships between partners, as well as approving the Project's

Operating Manual and Annual Operating Plan, among other planning instruments. MARN and INAB will preside over the SC on a rotating basis and will supervise the proper execution of the project to ensure appropriation of results. A Technical Committee will also be formed, made up of technical counterparts from the SC institutions themselves, technical staff from other relevant institutions, and partners from civil society.

The Project's Executing Unit (PEU) will ensure the necessary coordination, management, monitoring, evaluation, and communication to implement the project. It will be comprised of: A general Project Coordinator as well as a Administrative and Financial Assistant in charge of the planning and management tools will be developed for the proper monitoring of the expected outputs and outcomes of the project. The SC and other entities involved in the project will use these tools as inputs for decision making. These tools will monitor the progress of the project in an executive and graphic manner, emphasizing the identification of barriers to achieving the expected outcomes of the project, thus facilitating the review and redesign of intervention strategies.

Coordination activities will be carried out with the GEF-UNDP project Sustainable and Resilient Landscapes in the Central Volcanic Chain (GEF Project ID 9059), which seeks to incorporate biodiversity conservation and promote sustainable management in the productive landscapes of the Central Volcanic Mountain Range in Guatemala, contributing to the well-being of local populations and the delivery of multiple global environmental benefits. Experiences and best practices related to the consolidation of biological corridors and the protection of endangered species will be shared. In addition, actions will be coordinated with the Project "Promotion of Sustainable Landscapes in the Motagua Basin" (GEF ID 9246), implemented by the UNDP, to exchange knowledge about approaches to farm planning and implementation of forest conservation and restoration measures, and mainly joint marketing schemes for sustainable livestock products.

Additionally, Experiences and lessons learned will be exchanged, mainly for the strengthening of local governance and work with territorial entities, with the Project "Promotion of Water Security in the Trifinio Region" (GEF ID 10108), implemented by UNEP, which seeks to reduce stress on transboundary water resources in the Trifinio region through the development of a strategic action plan for the tri-national Lempa River Basin and enable joint management of shared water resources, while building the resilience of community-based ecosystems to climate variability and change..

Likewise, it will coordinate with the project on "Efficient use of firewood in rural and indigenous communities in Guatemala," financed by the NAMA Facility and executed by the IDB, which seeks to reduce greenhouse gas emissions in the energy sector by reducing consumption and promoting the efficient use of firewood through wood-saving stoves. In addition, the project will contribute to the implementation phase of the National REDD+ Strategy. Finally, it will coordinate with MARN's National Climate Change Information System (*SNICC, for its acronym in Spanish*) to obtain information on climate change and variability in the project area, to propose management measures, as well as contributing to the system with the information generated through the project.

#### **7. Consistency with National Priorities**

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

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

- National Action Plan for Adaptation (NAPA) under LDCF/UNFCCC

- National Action Program (NAP) under UNCCD
- ASGM NAP (Artisanal and Small-scale Gold Mining) under Mercury
- Minamata Initial Assessment (MIA) under Minamata Convention
- National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD
- National Communications (NC) under UNFCCC
- Technology Needs Assessment (TNA) under UNFCCC
- National Capacity Self-Assessment (NCSA) under UNCBD, UNFCCC, UNCCD
- National Implementation Plan (NIP) under POPs
- Poverty Reduction Strategy Paper (PRSP)
- National Portfolio Formulation Exercise (NPFE) under GEFSEC
- Biennial Update Report (BUR) under UNFCCC
- Others

The Project is aligned with the National Biodiversity Strategy and its 2012-2012 Action Plan (CONAP resolution 01-16-2012), especially with the strategic lines of Sustainable productive landscapes and territorial planning for conservation and development (3); threat reduction (4); and, restoration of biodiversity and ecosystem services (5). Likewise, it is consistent with the Kat?n 2032 National Development Plan through the promotion of forest landscape restoration, which is a key and transversal element due to the plan, aligned with the priority line of conserving and sustainably using forests and biodiversity for the adaptation and mitigation of climate change. In addition, this national plan integrates the vision of the National Biological Diversity Policy, the National Climate Change Policy and the National Forest Landscape Restoration Strategy (*ENRPF, for its acronym in Spanish*), linked to the National Integrated Rural Development Policy.

Specifically, the project will contribute to the thematic axis of *Economic Development based on the Restoration of the Forest Landscape* of the ENRPF, and to the National REDD + Strategy of Guatemala (*ENREDD +, for its acronym in Spanish*), in the strategic lines for *deforestation and restoration of forests and degraded lands*, and its support programs such as the Forest Investment Program. In addition, it is consistent with the National Action Program to Fight Desertification and Drought in Guatemala (*PROANDYS, for its acronym in Spanish*), especially in the components of *Conservation of Natural Resources and Productive Activities*, through the conservation of TDF and promoting transformation towards sustainable production systems. It is in line with Guatemala's Second National Communication on Climate Change (2015), in particular with the actions aimed at mitigating climate change and the objectives of the land use sector to reduce net greenhouse gas (GHG) emissions for the period 2016-2020. It is also aligned with the Mesoamerican Strategy for Environmental Sustainability (MSES), the Central American Commission for Environment and (CCAD) of the Central American Integration System (SICA) and the Mesoamerican Biological Corridor initiative, which identify as essential to take joint actions on the protection of forests and biodiversity, adaptation and sustainability, to face the challenges of economic growth and the high vulnerability that the region presents to climate change.

The project contributes to the National Environmental Gender Plan approved by MARN in 2010, to the Strategy to incorporate gender considerations in climate change in support of the Nationally Determined Contribution (CDN) Ministerial Agreement number 11-2020, Work route to incorporate gender considerations within the REDD+ strategy. Likewise, promoting ecosystem connectivity in the ODF-BC contributes to the fulfillment of the Sustainable Development Goals (SDGs), specifically Goal 15: Manage forests sustainably, fight against desertification, stop and reverse land degradation and stop loss of biodiversity, and Goal 12: Ensure sustainable consumption and production patterns; Goal 5: Achieve gender equity and empower women and girls; and, indirectly, Goal 1: End poverty in all its forms everywhere; and, Goal 13: Take urgent action to combat climate change and its effects. Lastly, it is consistent with the Nationally Determined Contribution (NDC; 2017), particularly climate change mitigation actions for land use and change in land use sectors for land, forests and agriculture, and will contribute to achieving the restoration goals of the Bonn Challenge.

## 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.**

The project has a specific component on Knowledge Management and M&E (component 3). These activities integrated in C3 will be implemented with other knowledge activities with Component 1 (1.4) and (1.6) will help to generate and improve knowledge among stakeholders. Component 2 (2.5) will promote a space for discussion and agreements with farmers.

Knowledge management activities will seek to document and systematize the lessons learned from project implementation, ensuring that they are properly documented in the semiannual, annual, and donor reports. The foregoing in order to have detailed information on the process to achieve the success and areas for improvement of the project. or failure of the project's actions. Likewise, the impact assessment of the project (output 3.2) will provide the information to expand the incentive targeting scheme to other sectors of the ODF-BC and strategic ecosystems of the country; and through exchange of experiences in the field (output 3.6) it is expected to disseminate the project's results and motivate other regions to implement the incentive targeting scheme. Lastly, the engagement, awareness and communications strategy (output 1.4) will contemplate external and internal communication activities (project governance) for the dissemination of the knowledge generated. This strategy will contain the specific activities (key messages, audiences, pieces of communication required, types of media -printed, social networks, etc.) to ensure knowledge is shared appropriately and that it generates the expected impact.

### The budgeted knowledge management products and events

Knowledge Products & Events (outputs)	Audience (if applicable)	Budget (US\$)	Timeline	Responsible
<b>Component 1</b>				
1.4 Design and implementation of the engagement, awareness and communication strategy to strengthen governance of the Ost?a Dry Forest Biological Corridor (ODF-BC), which includes gender considerations.	All stakeholders	\$31,134	Year 1	Executing Agency under IDB's policies and procedures

1.6 Training workshop(s) for the institutions and stakeholders of the implemented ODF-BC, which includes gender considerations.	Institutions and stakeholders of the implemented ODF-BC	\$7,000	Years 1, 2 and 3	Executing Agency
<b>Component 2</b>				
2.5 Workshops for dissemination and to reach agreements on conservation and sustainable production.	Producers/farmers	\$25,000	Years 1, 2 and 3	Executing Agency
<b>Component 3</b>				
3.1 Hiring of firm to develop the project's baseline	N/A	\$25,000	Year 1	Executing Agency under IDB's policies and procedures
3.2 Project Impact Assessment Consulting	N/A	\$25,000	Year 3	Executing Agency under IDB's policies and procedures
3.3 Hiring of a consultant for the project systematization document.	N/A	\$20,000	Year 3	Executing Agency under IDB's policies and procedures
3.4 Workshops	All stakeholders	\$3,000	Years 1, 2 and 3	Executing Agency
3.5 Publications	All stakeholders	\$6,500	Years 1,2 and 3	Executing Agency
3.6 Exchange of experiences	Farmers and institutions	\$17,000	Years 2 and 3	Executing Agency
<b>Total</b>		<b>\$ 159,634</b>		

## 9. Monitoring and Evaluation

### Describe the budgeted M and E plan

CALMECAC as Executing Agency (EA) will lead and implement the monitoring and follow-up activities of the project in the field. It will also be responsible for preparing an Annual Work Plan (AWP) with its corresponding technical and financial performance indicators, which will be approved by the Steering Committee. Semi-annual progress reports will be presented, in accordance with the requirements of IDB and GEF policies, with emphasis on achieving the expected results, risk management, and identifying adaptive management measures. The EA will annually present the technical inputs for the preparation of the PIR, which will be prepared by the IDB and will be presented to the GEF in a timely manner. The progress of the project will be reviewed at least once a year by the Steering Committee. In accordance with IDB policies and regulations, an independent third party will conduct the final evaluation in coordination with CALMECAC, the Steering Committee, and the IDB. Of the products established in the following indicative budget for the M&E, the final project evaluation and the project start-up/launch workshop were established as part of the Project Management Cost (PMC).

#	M&E Activities	Costs US\$	Responsible	Timeline
1	Start-up and launch workshop	\$5,000 (included in PMC)	Executing Agency	Year 1
2	Project initiation report	Free of charge	Executing Agency	Year 1

3	Monitoring of the gender plan, knowledge management and involvement of stakeholders.	(included in PMC and fee of the implementing agency)	Executing Agency and IDB	Annually
4	GEF Project Implementation Report - PIR	Free of charge	Executing Agency and IDB	Annually
5	Project technical supervision missions	(included in implementing agency fee)	Executing Agency and IDB	Twice a year
6	Final Evaluation	\$30,000 (included in PMC)	Executing Agency and IDB	End of the project
<b>Total</b>		<b>\$35,000</b>		

#### 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 (LDCE/SCCF)?**

The project will address the challenges of TDF conservation based on the existing socio-ecological dynamics and considering the productive system as a whole. That is to say, include household and crop needs, as well as those for the conservation of strategic ecosystems in all the actions developed, mainly by the second component. The foregoing, based on the premise that global environmental benefits are achieved and maintained, if the communities also obtain socioeconomic benefits. In this sense, the planning of the farm and its implementation consider actions to improve the productivity of the crop, access better markets (commercial sales agreements, short chain strategies, etc.) and meet the basic needs of the household (firewood, consumption, etc.) that will have direct impacts on the income and socioeconomic conditions of the household. In addition, the project will support producers to access the forestry incentives of the PINPEP and PROBOSQUE programs. These programs promote the management of natural forests to protect and provide environmental services, establish and maintain agroforestry systems, manage natural forests for productive purposes, and restore degraded forest lands, among other things. Eligible producers receive a payment to implement and maintain these activities for 6 to 10 years, depending on the modality they apply.

Women participating in project activities will benefit from the application of good practices on gender equity, as foreseen in the Gender Action plan that will be developed at the beginning of the project. The expected benefits are the following:

- Improvement of women's knowledge regarding the implementation of techniques in productive systems through training that takes into account women's practical needs, time and if possible (only in consensus with them), the creation of temporary day care centers so that women can concentrate better during training activities. Technical assistance provided by women will also be considered. Materials with inclusive language and gender focus will be generated to help improve understanding of the importance of women's role and participation in TDF conservation.
- Improvement of women's economic autonomy through the payment of forestry incentives to those women who are in charge of the productive system (farm), regardless if they are the owners of the land.
- Improvement of women's decision-making capacity (political autonomy) as they will be trained with tools to improve their participation and decision making in dialogues and governance spaces related to natural resources of the ODF-BC multi-stakeholder platform. Approximately 30% improvement (See above in Gender Section, table: Guidelines for the Gender Action Plan).



## 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
Medium/Moderate			

#### 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.

Per IDB's Environmental and Social Safeguard Policy (OP-703), the project is classified under Category C (low), because it has environmental and social impacts that can be mitigated through standard measures. Positive impacts are expected on the livelihoods of the population, participatory governance, resilience to climate change and conservation of threatened biodiversity.

Specifically on the environmental and social risks associated with the project, the IDB's Risk Assessment assigned a "Moderate" rating. See attached supporting document ("ESSR Risk Assessment") and table below with the main areas assessed during the screening.

The mitigation measures mentioned in the risk assessment screening are the following (per risk):

- Agreements are not reached with the farm owners. To mitigate this risk, periodic workshops and socialization workshops will be held to reach agreements on conservation and sustainable production. Benefits in terms of costs, productivity, and improving ecosystem services -such as long-term water security and the possibility of articulation with value chains at the local level- will be presented to these stakeholders.
- Local public institutions have limited capacities prioritizing and assigning forestry incentives, developing planning and policy instruments, and effectively

accompanying communities and producers in their implementation. To mitigate this risk, forestry technicians will be hired to provide technical assistance to producers, develop management plans, and prepare all the documentation required to ensure that forestry incentives reach the local level. In addition, a Steering Committee and a Technical Committee will be created and will be comprised of members of the institutions and municipal authorities. These committees will maintain a constant flow of communication as well as supervise and monitor the project's results.

- Acceptable progress is not made in the agreements among beneficiaries and involved institutions on the strengthening of the Municipalities' capacities. To mitigate this risk, the project will provide continuous accompaniment to beneficiaries and institutions through periodic meetings, as well as awareness building from workshops organized with the institutional platform of the ODF-BC.

### Risk Assessment Screening

<b>Cause</b>	<b>Value</b>
Largely related to direct impacts of project footprint, and inherent sector risk including contribution to cumulative risks.	Low
Comments: No significant direct impacts or contributions to cumulative impacts have been identified in relation to the objective of the operation or its components since the support will focus on strengthening environmental governance in key areas; in addition to the implementation of forestry incentives and monitoring and evaluation activities and information systematization.	
<b>Contribution</b>	<b>Value</b>
Largely related to indirect and induced impacts, third party actions, associated facilities, supply chain aspects, and indirect contribution to cumulative impacts.	Low
Comments: No risks have been identified to indirect impacts.	
<b>Context</b>	<b>Value</b>
Largely related to influence and impacts from external operating environment on project setting, including legal framework and practice, vulnerability risk, political and social conflict, cultural context, legacy issues, etc.	Moderate
Comments: The project may be affected if agreements are not reached with the farm owners, or if there is a rejection for the productive reconversion of the forest remnants, given that the forestry incentive programs may not have been successful in the past.	
<b>Performance</b>	<b>Value</b>
Directly related to borrower capacity and organizations, commitments, resources, and overall performance during project.	Moderate
Comments: The executing unit (CALMECAC) has experience in supporting the increase in sustainable forest management capacities of community forestry organizations, and in reducing deforestation and degradation of their forests. However, local public institutions have limited capacities prioritizing and assigning forestry incentives, developing planning and policy instruments, and effectively accompanying communities and producers in their implementation.	
<b>Overall Environmental and Social Risk Rating</b>	<b>Value</b>
Please indicate the overall ESRR of the project according to your professional judgement at this point in time.	<b>Moderate</b>

Comments: Although the project will support the conservation of the Tropical Dry Forest ecosystem by strengthening environmental governance in key areas to target forestry incentives and technical assistance to beneficiaries, there will be moderate risks to the project, if acceptable progress is not made in the agreements with beneficiaries and institutions on the strengthening of the Municipalities' capacities.

**Supporting Documents**

Upload available ESS supporting documents.

Title	Module	Submitted
<b>GEF 11016_GU-G1015_IDB ESSR Risk assessment</b>	<b>CEO Endorsement ESS</b>	
<b>Safeguard Screening Form</b>	<b>CEO Endorsement ESS</b>	
<b>Safeguard Policy Filter Report</b>	<b>CEO Endorsement ESS</b>	

**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).**

\*\*\* More detailed Project Results Framework, with annual targets and Means of Verification, in RoadMap \*\*\*

**Project Objective**

Improve the conservation of the Tropical Dry Forest (TDF) ecosystem and its associated biodiversity by: (i) developing a scheme for targeting forestry incentives and strengthening the governance model for their implementation; (ii) facilitating access to incentives and providing technical assistance to beneficiaries in the planning and implementation of the farm plan; and (iii) evaluating the scheme to propose policy recommendations to channel forestry incentives towards the country's conservation needs.

## Outcomes

### 1 - Outcome Statement: Improved connectivity and conservation status of the Tropical Dry Forest.

Outcome Indicator Name	Unit of Measure	Baseline	Baseline Year		EOP
1.1 Landscape area under conservation and restoration (Core Indicator 4 - 4.1)	ha	0	2021	P	1,600.00
				P(a)	
				A	
1.2 Area of production systems under sustainable management (SAFs and SSP) (Core Indicator 4 - 4.3)	ha	0	2021	P	1,500.00
				P(a)	
				A	
1.3 Producers of the process of improving production and ecosystem services of the Tropical Dry Forest	no.	0	2021	P	300.00
				P(a)	
				A	
1.4 National and local policies adopted for the conservation of strategic ecosystems.	no.	0	2021	P	3.00
				P(a)	
				A	
1.5 Women beneficiaries of the project. (Core Indicator 11)	no.	0	2021	P	720.00
				P(a)	
				A	
1.6 Men beneficiaries of the project. (Core Indicator 11)	no.	0	2021	P	1,080.00
				P(a)	
				A	
1.7 Total Carbon Emissions Reduced or Captured (Core Indicator 6 - 6.1)	ton.CO2eq.	0	2021	P	167,770.50
				P(a)	
				A	

P: Planned
P (a): Adjusted Planning in case of changes during implementation
A: Achieved
EOP: Expected Output/ Outcome at End Of Project

## Output - Physical Progress

### 1 Component: Environmental Governance.

	Output Definition	Unit of Measure	Baseline	BL Year	P	P(a)	A
1.1	<b>Diagnostics and assessments completed</b> (Technical study for identification of priority areas for TDF conservation and connectivity in 3 municipalities)	Diagnostics (#)	0	2021	P	P(a)	A
1.2	<b>Tools designed/strengthened</b> (Municipal planning and enforcement tools that support conservation of the TDF and its connectivity)	Tools (#)	0	2021	P	P(a)	A
1.3	<b>Monitoring and evaluation systems implemented</b> (Design and implementation of system for monitoring the status of the TDF and related biodiversity)	M&E systems (#)	0	2021	P	P(a)	A
1.4	<b>Action plans implemented</b> (Design and implementation of engagement, awareness and communication strategy to strengthen ODF-BC governance)	Action Plans (#)	0	2021	P	P(a)	A
1.5	<b>Training workshops delivered</b> (Training workshops for the institutions and stakeholders of the implemented ODF-BC)	Workshops (#)	0	2021	P	P(a)	A

### 2 Component: Incentives for the Conservation of the Tropical Dry Forest

	Output Definition	Unit of Measure	Baseline	BL Year	P	P(a)	A
2.1	<b>Technical models designed</b> (Market analysis of forestry incentive investments that promote the conservation of forests)	Models (#)	0	2021	P	P(a)	A
2.2	<b>Action plans designed</b> (Farm Plans prepared that include production and conservation/ restoration targets for TDF)	Action Plans (#)	0	2021	P	P(a)	A
2.3	<b>Farms implement activities for the conservation of biodiversity and sustainable production.</b>	Farm plan (#)	0	2021	P	P(a)	A

### 3 Component: Knowledge management, monitoring and evaluation.

	Output Definition	Unit of Measure	Baseline	BL Year	P	P(a)	A
3.1	<b>Quasi-experimental impact evaluation (ex-ante or ex-post) performed</b> (Baseline of the project completed)	Evaluation Final Report (#)	0	2021	P	P(a)	A
3.2	<b>Quasi-experimental impact evaluation (ex-ante or ex-post) performed</b> (Impact assessment of the project developed)	Evaluation Final Report (#)	0	2021	P	P(a)	A
3.3	<b>Diagnostics and assessments completed</b> (Assessments developed that evaluate project experience, identifying lessons learned and recommendations)	Diagnostics (#)	0	2021	P	P(a)	A
3.4	<b>Training workshops delivered</b> (Workshops held for exchange of experiences with non-beneficiary municipalities with potential for TDF conservation)	Workshops (#)	0	2021	P	P(a)	A

**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).**

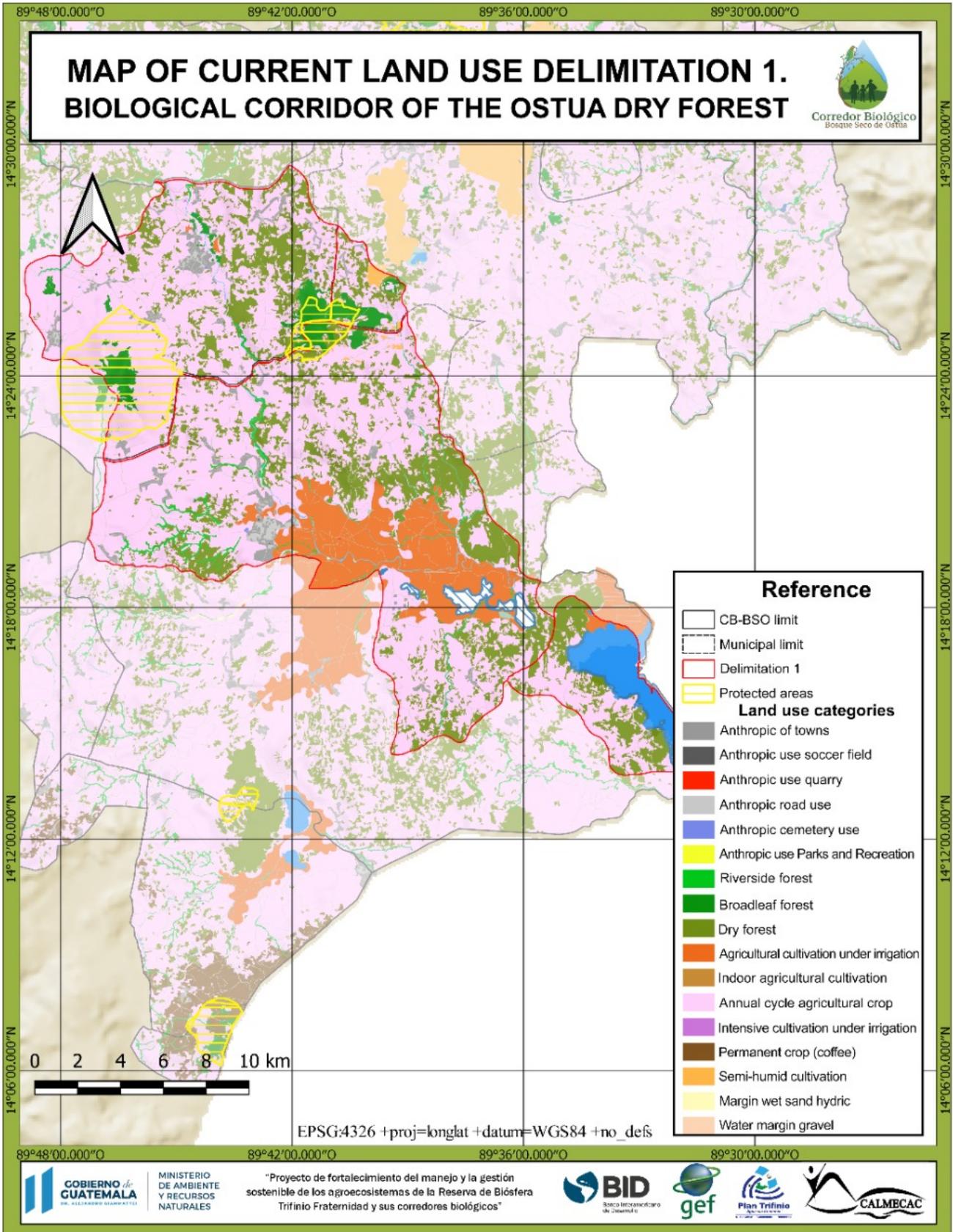
**ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:**

**ANNEX D: Project Map(s) and Coordinates**

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

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Currently the Biological Corridor has an extension of 155,173.25 ha, where 28,324 ha of dry forest fragments are located, and 4,103.00 ha of cloud forest and broadleaf forest. The municipalities where the project actions will be focused are located according to the following official reference coordinates: (1) Santa Catarina Mita 14°27'4.7" N 89°44.571' O; (2) Asunción Mita 14°20'1.1" N 89°42.656' O; (3) Agua Blanca 14°29'53" N 89°38.977' O.



**ANNEX E: Project Budget Table**

**Please attach a project budget table.**

ANNEX E: Project Detailed Budget

Expenditure Category	Detailed Description	Component (US\$)								M&E	PMC	Total (US\$)	Executing Entity, receiving funds from the GEF Agency (1)	
		Component 1		Component 2		Component 3		Sub-Total Components 1, 2, 3	Co-financing					Co-financing
		GEF financing	Co-financing	GEF financing	Co-financing	GEF financing	Co-financing							
Works and goods	Acquisition of forestry measurement equipment and computer equipment to implement the system by the municipalities, MAGA, CONAP, INAB	34,000.00											Executing Agency under IDB's policies and procedures	
	Provision of inputs and materials for 300 producers to improve TDF conservation practices.			265,000.00									Executing Agency under IDB's policies and procedures	
Vehicles	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	
Grants/ Sub-grants	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	
Revolving Funds/ Seed funds / Equity	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	
Sub-contract to executing partner/ entity	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	
Contractual Services – Individual	Municipal planning and enforcement tools that support the conservation of the dry forest and its connectivity (Output 1.2)	34,080.00											Executing Agency under IDB's policies and procedures	
	Design and implementation of the system for monitoring the status of the TDF and related biodiversity (Output 1.3)	30,000.00											Executing Agency under IDB's policies and procedures	
	Design and implementation of the engagement, awareness and communication strategy to strengthen governance of the Orizaba Dry Forest Biological Corridor (ODF-BC), which includes gender considerations (Knowledge Management products) (Output 1.4)	31,134.00											Executing Agency under IDB's policies and procedures	
	Technical coordination component 1	52,057.00											Executing Agency under IDB's policies and procedures	
	Legal consultancy for legal, economic and social valuation of the forestry incentives applied in the ODF-BC				12,000.00								Executing Agency under IDB's policies and procedures	
	Hiring of field technicians (6 technicians/women) for technical assistance to promote forest conservation and connectivity (Output 2.2)				221,351.00								Executing Agency under IDB's policies and procedures	
	Project Impact Assessment Consulting (Knowledge Management products) (Output 3.2)						25,000.00						Executing Agency under IDB's policies and procedures	
	Hiring of a consultant for the project systematization document (Knowledge Management products) (Output 3.3)						20,000.00						Executing Agency under IDB's policies and procedures	
	Final Project Evaluation									30,000.00			Executing Agency under IDB & GEF's policies and procedures	
	Project Coordinator									13,714.00			Executing Agency under IDB's policies and procedures	
Administrative and Financial Assistant									24,485.00			Executing Agency under IDB's policies and procedures		
Contractual Services – Company	Technical study for the identification of priority areas for the conservation and connectivity of the TDF in the municipalities of Asunción Mita, Agua Blanca and Santa Catalina Mita (Output 1.1)	60,000.00											Executing Agency under IDB's policies and procedures	
	Market analysis of forestry incentive investments that promote the conservation of forests (Output 2.1)				35,000.00								Executing Agency under IDB's policies and procedures	
	Hiring of firm to develop the project's baseline (Knowledge Management products) (Output 3.1)						25,000.00						Executing Agency under IDB's policies and procedures	
	External Audit Services									10,700.00			Executing Agency under IDB's policies and procedures	
International Consultants	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a		
Local Consultants	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a		
Salary and benefits / Staff costs	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a		
Trainings, Workshops, Meetings	Training workshops for the institutions and stakeholders of the implemented ODF-BC, which includes gender considerations (Knowledge Management products) (Output 1.6)	7,000.00											Executing Agency	
	Workshops for dissemination and to reach agreements on conservation and sustainable production (Knowledge Management products) (Output 2.5)				25,000.00								Executing Agency	
	Workshops						3,000.00						Executing Agency	
	Start-up and Learning Workshop									5,000.00			Executing Agency	
Travel	Exchange of experiences (Output 3.6)						17,000.00						Executing Agency	
	Travel expenses (Component 1)	7,500.00											Executing Agency	
	Travel expenses (Component 2)				29,625.00								Executing Agency	
Office Supplies	Annual Project Technical supervision missions (paid with project's fee)								0.00				Executing Agency and IDB	
	n/a	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a	
Other Operating Costs	Communication strategy products (flyers, videos, banners, etc.)	8,260.00											Executing Agency under IDB's policies and procedures	
	Publications for Knowledge Management products (IC3)	0.00					6,500.00						Executing Agency	
	Project initiation report									0.00			Executing Agency	
	Monitoring of the gender plan, knowledge management and involvement of stakeholders									0.00			Executing Agency and IDB	
	GEF Project Implementation Report - PIR (Annual)									0.00			Executing Agency and IDB	
<b>Grand Total</b>		<b>264,531.00</b>	<b>2,387,954.00</b>	<b>367,976.00</b>	<b>2,010,282.00</b>	<b>96,500.00</b>	<b>303,794.00</b>	<b>5,428,987.00</b>	<b>0.00</b>	<b>92,891.00</b>	<b>450,000.00</b>	<b>5,391,886.00</b>		

[1] In exceptional cases where GEF Agency receives funds for execution, for specific activities are reviewed by GEF Secretariat

**ANNEX F: (For NGI only) Termsheet**

Instructions. Please submit a 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 Agency 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).