



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Sustainable Forest Management and Multiple Global Environmental Benefits			
Country(ies):	Guatemala	GEF Project ID: ¹	4479
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4637
Other Executing Partner(s):	Ministry of the Environment and Natural Resources of Guatemala (MARN); Protected Areas National Council (CONAP)	Submission Date:	July 19, 2013
GEF Focal Area (s):	MULTI FOCAL AREA	Project Duration(Months)	60
Name of Parent Program (if applicable):		Agency Fee (\$):	440,000
➤ For SFM/REDD+ <input checked="" type="checkbox"/> ➤ For SGP <input type="checkbox"/>			

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
BD-2	Outcome 2.1	Output 2.2	GEFTF	443,550	1,518,035.18
CCM-3	Outcome 3.2	Output 3.2	GEFTF	376,000	1,125,545.00
CCM-5	Outcome 5.1	Output 5.1		911,470	2,710,335.00
	Outcome 5.2	Output 5.2		735,110	2,215,440.00
LD-2; LD-3	Outcome 2.2	Output 2.2	GEFTF	278,315	872,600.00
	Outcome 2.3	Output 2.3		422,220	1,348,740.00
	Outcome 3.1	Output 3.1		133,335	422,625.00
SFM/REDD+-1	Outcome 1.1	Output 1.1	GEFTF	322,220	847,565.00
	Outcome 1.2	Output 1.2		555,560	2,240,731.00
	Outcome 1.3	Output 1.3		222,220	415,785.00
Total project costs				4,400,000	13,717,401.18

B. PROJECT FRAMEWORK

Project Objective: To strengthen land/forest management processes and biodiversity conservation in order to secure the flow of multiple ecosystems services while ensuring ecosystem resilience to climate change.

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. Regulatory and institutional framework integrates principles of sustainable forest management (SFM) and sustainable land management (SLM), and strengthens	TA	- The National Action Program to Combat Desertification and Drought (PROANDYS) and the Agricultural Policy of Guatemala integrate principles of SFM and SLM to ensure the flow of multiple	- Interagency agreement for cooperation between the MARN, CONAP, National Forest Institute (INAB), Ministry of Agriculture, Cattle Ranching, and Nutrition (MAGA), and the National Association of Municipalities of Guatemala	GEFTF	Total: 534,000 CC: 273,000 LD: 112,500 SFM/ REDD+: 148,500	1,813,285.77

¹ Project ID number will be assigned by GEFSEC.

² Refer to the [Focal Area/LDCF/SCCF Results Framework](#) when completing Table A.

integrated environmental land management capacity.		<p>ecosystems services for SFM/REDD+³, land degradation (LD, and climate change mitigation (CCM).</p> <ul style="list-style-type: none"> - Five (5) national agencies (MARN, MAGA, INAB, CONAP, and ANAM) working within the framework of inter-agency agreements that allow to integrate principles of SFM and SLM in sector policies. - Improvement by 10% in the capacity of national technical staff as measured by capacity development indicators: up to 40 technical staff from MARN, MAGA, CONAP, and INAB will be trained in SLM, SFM, REDD+, Land Use, Land Use Change, and Forestry (LULUCF), and carbon (C) monitoring. 	<p>(ANAM) allows inclusion of SFM/SLM principles into forestry and agricultural policies, and ensures permanence of the project's benefits.</p> <ul style="list-style-type: none"> - The PROANDYS is updated. - Strengthened capacity of government officials and field staff (foresters and agricultural extension officers) in LULUCF management practices, SFM/REDD+ methodologies, and Monitoring, Reporting, and Verification (MRV). - Municipal-level SFM /SLM Geographic Information System (GIS) mapping tool benefits the development and guides the implementation of municipal development plans at the national level. - National protocol for the monitoring of C flow developed and articulated with forest production/management plans (INAB), land use planning (municipalities), and conservation plans (CONAP). 			
2. Pilot projects for SFM/REDD+ and SLM reduce land degradation, improve C stocks, and enhance biodiversity (BD) conservation in southeastern and western Guatemala.	TA	<p><i>Pilot 1: SFM/REDD+ and SLM improve C stocks and reduce dry forest deforestation in a dry mountain landscape in southeastern Guatemala.</i></p> <ul style="list-style-type: none"> - 116,848 tCO₂-e sequestered through dry forest rehabilitation over a 5-year period. - 1,500 ha under best management practices in LULUCF (conserve and enhance carbon stocks in selected forested areas), including monitoring of C stocks 	<p><i>Pilot 1: SFM/REDD+ and SLM improve C stocks and reduce dry forest deforestation in a dry mountain landscape in southeastern Guatemala.</i></p> <ul style="list-style-type: none"> - REDD+ pilot project targeting 17,456 ha; 3,500 ha of which will be restored and reforested by planting native species and through natural regeneration. - Methodology for REDD+ pilot project in the dry forest applied. - SFM/SLM plan for the upper and mid sections of 	GEFTF	<p><i>Pilot 1:</i> Total: 2,788,274 CC: 1,448,186 LD: 638,338 SFM/ REDD+: 701,750</p> <p><i>Pilot 2:</i> Total: 791,446 BD: 399,382 CC: 100,000</p>	10,532,375.30

³ Reducing Emissions from Deforestation and Forest Degradation (REDD) is an effort to create a financial value for the carbon stored in forests, offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. "REDD+" goes beyond deforestation and forest degradation, and includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks" (source: <http://www.un-redd.org>).

		<ul style="list-style-type: none"> - Avoided emissions due to dry forest deforestation: 413,114 tCO₂-e during a 5-year period. - 1,906 ha of dry forest protected through REDD+ practices during a 5-year period. - \$619,672 USD in revenues/ gross contributions through reduction of emissions under REDD+ during a 5-year period (247,869 Verified Carbon Unit [VCUs]; Minimum price of US\$2.50/VCU). - 6,838.47 ha of forest in the dry areas are maintained. - Improvement by 10% in the capacity of municipal staff and community members as measured by capacity development indicators: 60 municipal technical staff and 1,500 community members applying SLM, SFM, and REDD+ practices. <p>Pilot 2: <i>SFM/REDD+ increases ecosystem connectivity and contributes to the conservation of BD in a humid mountain landscape in western Guatemala.</i></p> <ul style="list-style-type: none"> - 25,679 tCO₂-e sequestered through humid montane forest rehabilitation over a 5-year period. - 13,343 ha under best management practices in LULUCF (conserve and enhance carbon stocks in selected forested areas), including monitoring of C 	<p>the Ostúa River watershed associated with dry forests and the Ayarza Lagoon include planning for firewood use, establishment of riparian buffers strips, and use of windbreaks and live fences.</p> <ul style="list-style-type: none"> - Energy-efficient stoves program reduces firewood consumption and greenhouse gas (GHG) emissions. - Strengthened capacity of municipalities and community members in the southeastern region for including SFM and SLM, and REDD+ tools in local development plans in order to contribute to the institutional sustainability of project outcomes. - Development plans for up to fifteen (15) municipalities incorporate SFM/REDD+ and SLM principles and their implementing measures. - Four (4) environmental /forestry municipal offices (Jalapa, Jutiapa, and Sta. Rosa) fully equipped and with skilled staff for the control of forest fires, and enhance conservation of BD and C sequestration. <p>Pilot 2: <i>SFM/REDD+ increases ecosystem connectivity and contributes to the conservation of BD in a humid mountain landscape in western Guatemala.</i></p> <ul style="list-style-type: none"> - REDD+ pilot project for 34,357 ha in a production/conservation landscape that includes the Todos Santos Cuchumatanes PA. - Methodology for REDD+ pilot project in humid montane forest applied. - Biological corridor established (420 ha) between forest remnants. - Four (4) BD/forest 		<p>SFM/ REDD+: 140,219</p> <p>M&E: 151,845</p>	
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	<p>stocks.</p> <ul style="list-style-type: none">- Avoided emissions due to humid montane forest deforestation: 468,360 tCO2-e during a 5-year period.- 1,012 ha of humid montane forest protected through REDD+ practices during a 5-year period.- \$702,540 USD in revenues/ gross contributions through reduction of emissions under REDD+ during a 5-year period (247,869 VCUs; Minimum price of US\$2.50/VCU).- Stable number of key species by biological groups (amphibians and plants) present in the project area: Amphibians, 8 species; Plants (11 species) (see text of the Project Document for the complete species list).- 13,843 ha of humid forest under the Climate, Community, and Biodiversity (CCB) Standards in the western region.- Improvement by 10% in the capacity of municipal staff and community members as measured by capacity development indicators: 15 municipal technical staff and 150 community members applying SFM/REDD+, CC mitigation, and BD conservation practices	<p>conservation agreements between the municipality and agriculture/cattle ranching associations facilitate implementing two incentives (Forest Incentive Program [PINFOR], and Incentive Program for Small Holders of Land Suitable for Forestry or Agroforestry [PINPEP]) in order to maintain the forest cover (13,843 ha) in an agriculture/cattle ranching production landscape, and ensures permanence of the project's benefits.</p> <ul style="list-style-type: none">- Strengthened capacity of municipalities and community members in the western region for including SFM, REDD+, CC mitigation, and BD conservation tools in local development plans in order to contribute to the institutional sustainability of project outcomes.- BD conservation criteria (ecosystem connectivity and PA buffers) and sustainable agriculture/cattle ranching practices incorporated into the development plans for five (5) municipalities.- Five (5) municipal-level monitoring systems to assess SFM/REDD+ and BD benefits			
Subtotal				4,113,720	12,345,661.07
Project management Cost (BD: 28,860; CC: 131,595; LD: 54,255; SFM/REDD+: 71,570)			GEFTF	286,280	1,371,740.11
Total project costs				4,400,000	13,717,401.18

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
National Government	MARN	In-kind	557,380.96
Bilateral Aid Agency (ies)	German Development Bank (KfW)	Grant	11,880,000.00
Local Government	Municipality of Santa Eulalia	In-kind	12,320.00

Local Government	Municipality of Todos Santos Cuchumatán	In-kind	20,635.00
Local Government	Municipality of San Juan Ixcoy	In-kind	24,068.22
Foundation	Fundación para el Ecodesarrollo y la Conservación (FUNDAECO)	Grant	350,361.00
Foundation	Foundation of Integrated Development of Men and the Environment (CALMECAC)	Grant	205,105.00
Foundation	Foundation of Integrated Development of Men and the Environment (CALMECAC)	In-kind	110,150.00
GEF Agency	UNDP	Grant	557,381.00
Total Co-financing			13,717,401.18

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
UNDP	GEF TF	BD	Guatemala	443,550	44,355	487,905
UNDP	GEF TF	LD	Guatemala	833,870	83,387	917,257
UNDP	GEF TF	CC	Guatemala	2,022,580	202,258	2,224,838
UNDP	GEF TF	SFM/REDD+	Guatemala	1,100,000	110,000	1,210,000
Total Grant Resources				4,400,000	440,000	4,840,000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	49,175	0	49,175
National/Local Consultants	161,490	0	161,490

DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF⁴

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc. NA

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities.

The project will also address the CCM-3 objective: *Renewable Energy – Promote investment in renewable energy technologies*. The project will implement an energy-efficient stoves program that will benefit local communities residing in the dry landscapes of southeastern Guatemala who use firewood as their principal source of energy. The energy-efficient stoves program will reduce firewood consumption and GHG emissions.

A.3 The GEF Agency’s comparative advantage: NA

A.4. The baseline project and the problem that it seeks to address:

⁴ For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question

During the PPG the project baseline was reviewed and updated. Under the baseline scenario efforts made for strengthening land/forest management and BD conservation in the southeastern and western regions of Guatemala in order to secure the flow of multiple ecosystems services will be insufficient. The baseline analysis describes investments related to the CC, REDD+, SFM, BD, and LD.

CC/REDD+. The problem that the baseline activities seek to address is increased emissions from deforestation and forest degradation. Project development under REDD+ as a strategy to reduce deforestation in Guatemala is still fairly recent (no more than 5 years). Through its Climate Change Technical Unit (UTCC), the MARN has formed a work group (forests, biodiversity, and CC) that has defined the general guidelines to be considered during the development of a REDD+ National Strategy. Guatemala's REDD+ National Strategy is currently in the REDD+ Readiness process, for which it developed a Readiness Preparation Proposal (R-PP). The R-PP was submitted to the Forest Carbon Partnership Facility (FCPF) in 2012 and it is currently undergoing review. The R-PP includes the following components: a) organization and consultation; b) construction of a REDD+ National Strategy; c) development of a reference level for the assessment of emission reduction targets; and d) design of a monitoring system to assess emissions and removals. It is projected that Guatemala's REDD+ Readiness process will take approximately three years, from August 2013 until approximately October 2016. The estimated total budget is \$10.2 million USD, \$3.8 million of which are being requested from the FCPF. The Inter-American Development Bank (IADB) is the delivery partner chosen by the Government of Guatemala (GoG) and will be responsible for coordinating the implementation of the R-PP. The FCPF funding is intended to support Guatemala in the design of a REDD+ National Strategy.

Despite the fact that Guatemala is still in the process of defining a REDD+ National Strategy, several civil and community organizations are working on the implementation of REDD+ pilot projects connected to the voluntary carbon market. There are currently three REDD+ pilot projects that are being coordinated by CONAP since they are located in protected areas: a) a forest concession project in the Maya Biosphere Reserve (MBR), promoted by the Association of Forest Communities of the Petén (ACOFOP) and the Rainforest Alliance; b) a project in Sierra del Lacandón National Park, promoted by Fundación Defensores de la Naturaleza, Oro Verde, and the Rainforest Alliance; and c) a project in Lachuá National Park, promoted by Fundación Lachuá and the International Union for the Conservation of Nature (IUCN). These three pilot projects have contributed to the development of REDD+ methodologies, and through the Sierra del Lacandón project, a forest inventory was performed in accordance with international standards. These REDD+ initiatives have also allowed the development of some deforestation scenario models for Guatemala.⁵ IADB staff involved in the implementation of the R-PP who were interviewed during the PPG phase noted that while REDD+ pilot projects are important to generate lessons learned from the field, methodological aspects and capacity-building in such projects should be focused on the principles, methodologies, and priorities outlined in the R-PP and the National REDD+ Strategy that Guatemala will be developing in the upcoming years.

Forests: The problem that the baseline activities seek to address is deforestation and unsustainable forest management. One of the main programs promoted by the GoG to reduce deforestation and promote SFM is the PINFOR, which is directed toward at landowners with 2+ ha of land with forestry potential. Landowners willing to invest in reforestation, forest regeneration, and production and conservation activities as a means to reduce deforestation are rewarded with a payment per hectare, which varies according to the year and is dependent upon compliance. By the time of its completion in 2016, PINFOR intends to establish 285,000 ha of forestry plantations, 650,000 ha of forests managed for protection and production, and 285,000 ha of regenerated forests. Payments are distributed through certificates based on field evaluations of the implementation of management plans, conducted by INAB technical personnel. Between 1998 and 2011 approximately \$167 million USD were invested mainly in reforestation and forest management projects, which benefited 733,365 people. During 2012-2106, PINFOR investments may reach over \$64 million USD nationally. For the regions where this GEF investment will be implemented, PINFOR benefited a total of 2,588.82 ha between 2007 and 2011.

A second forest incentive program of the GoG is the PINPEP, which is directed toward beneficiaries and landholders who lack legal ownership titles in municipalities prioritized according to their level of poverty. This program covers agroforestry activities, forest plantations, and forest management in order to reverse the processes of deforestation, reduce vulnerability to extreme weather events, mitigate/adapt to the effects of climate change, and to reduce poverty and extreme poverty in the country. Projects usually receive payments during 6 to 10 years, longer in the case of

⁵ Espinosa, C., Cabrera, J., and Dunning, G. Pushing Forward REDD-plus: Civil society processes in the development of a national REDD strategy. The Forests Dialogue (TFD), Number 2 2011. Available at [http://environment.yale.edu/tfd/uploads/TFD_PushingForwardREDDplusGuatemala\(1\).pdf](http://environment.yale.edu/tfd/uploads/TFD_PushingForwardREDDplusGuatemala(1).pdf)

protection and management. PINPEP's total financing is equivalent to 1% of the national budget, or approximately \$40 million USD annually. Between 2007 and 2011, approximately \$7.3 million USD were invested through PINPEP, covering 10,344.57 ha and directly benefiting 8,880 men and 3,205 women. For the regions where this GEF investment will be implemented, PINPEP benefited a total of 707.25 ha between 2007 and 2011. This program is permanent, as established by the PINPEP law.

Based on the estimates made during the PPG, it is expected that during the duration of the project (5 years) an additional 2,822.11 ha will receive support from PINFOR and PINPEP with a total investment of approximately \$1.52 million USD. This means that 44,430.5 tCO₂-e will be sequestered; 14,299.7 tCO₂-e in the southeastern region and 30,130.8 tCO₂-e in the western region. The PINFOR and PINPEP investments have also enabled the establishment of nine Municipal Forestry Offices (MFOs) and provided support to four community organizations in the southeastern region, and have provided training in forest management and control of forest fires to municipal staff and local communities in the department of Huehuetenango in the western region. This support will continue during the coming years. It must be noted that funds available through both PINPEP and PINFOR are usually under-utilized in the sense that there are not sufficient projects submitted by small landowners or landholders to benefit from the incentives provided by these programs.

The Foundation of Integrated Development of Men and the Environment (CALMECAC) through its natural resources management program will promote the conservation of PAs and its connecting corridors in the departments of Jalapa and Jutiapa between 2013 and 2017. With PINFOR and PINPEP support, it will implement reforestation and agroforestry activities with local communities for a total of \$175,000 USD.

Biodiversity: The department of Huehuetenango is home to a large diversity of species, many of which are endemic. Investments planned for the region will be focused on the protection of humid montane forests and the prevention of loss of BD due principally to the expansion of agriculture and cattle ranching. Protected Areas (PAs) are an essential component of the conservation strategies for forests and biodiversity in the country. The Protected Areas System of Guatemala (SIGAP), whose governing entity is the CONAP, currently has a total of 320 areas that cover 33,802 km² of land (31.04% of the country's territory). In the prioritized municipalities of the department of Huehuetenango there is only one PA registered in the SIGAP; the Todos Santos Cuchumatán Municipal Regional Park (MRP), with a surface area of 7,255.4 ha (0.06% of the national territory). This PA, as with the other PAs in Guatemala, is insufficiently financed. CONAP has only projected investing in management activities for the Todos Santos Cuchumatán MRP and its surrounding areas in the five prioritized municipalities at a total amount of \$25,905 USD during the 2013-2017 time period.

In the department of Huehuetenango there are also conservation areas prioritized for their importance for BD, including Cerro Cruz Maltín (7,186.27 ha), which is currently proposed to be included in the SIGAP, and Pepajau-Magdalena (9,200 ha). Investments are projected for 2013-2017 that will contribute to the reduction of threats to BD in these and other areas of high biological importance. The French Fund for the Environment, in an agreement with FUNDAECO, is supporting the execution of the project "*Strengthening of mechanisms community-based co-management and conservation of the SIGAP*," whose objective is to contribute to the consolidation and expansion of the SIGAP, reinforcing the role of local and indigenous communities in the management of areas that are important for BD, including Todos Santos Cuchumatán MRP, Cruz Maltín, Valle de Quisil, Piedras de Kab'tzin, Finca San José and San Francisco Las Flores, with a budget of \$231,370 USD. The Association for the Cooperation of Integrated Development in Huehuetenango (ACODIHUE), utilizing funds from the Foundation for the Conservation of Natural Resources and Environment in Guatemala (FCG), is developing activities in several municipalities of Huehuetenango (such as Todos Santos Cuchumatán) geared towards achieving permanent conservation of natural resources, restoration of degraded areas, protection of BD, and reduction of threats and pressure on BD and the natural resources of the Ocho River microwatershed. This involves the active participation of the local communities and a total investment of \$59,367 USD. The Association of Organizations of the Cuchumatanes (ASOCUCH), through support from the Fund for Conservation of Tropical Forests (FCA-Guatemala), is carrying out the Small Donations Program for the Cuchumatanes Sub-Region, whose objective is to facilitate activities of conservation and restoration of natural resources in the Cuchumatanes region through local participation with a total investment of \$316,445 USD during 2013-2014.

Land Degradation: The problem addressed by the baseline activities is the loss of dry forest cover and degradation of the land and dry forests due to the expansion of agriculture and firewood extraction in the southeastern region of Guatemala. The MAGA, through the Department of Watersheds and the delegation from the Los Esclavos River (department of Santa Rosa: municipalities of Casillas and San Rafael las Flores; department of Jalapa: municipalities of

Jalapa, Mataquescuintla, and San Carlos Alzate; and department of Jutiapa: municipalities of Quesada and Jutiapa) is developing extension and technical assistance activities, training, and development of natural resource proposals with the MFOs, and in coordination with the Community Development Councils (COCODES). These actions will allow the development of soil structures in degraded areas, the creation of plant nurseries with the municipalities and the local communities, reforestation, and harvesting of rainwater (water storage). During the 2013-2017 time period, the MAGA will continue these training activities in the region through the Rural Extension National System (SNER); the investment projected for this is \$332,500 USD. In addition, the SNER, which has as its objective the reduction of food insecurity and poverty through the diversification of agricultural production (food supply and surpluses for local markets) and the use and conservation of natural resources, will invest \$203,750 USD in the three prioritized departments in the southeastern region during 2013-2017, contributing to the development of best agricultural and cattle ranching practices, which will contribute to preventing LD. At the same time, the MAGA is planning to implement the Family Farming Program to Strengthen the Peasant Economy (PAFFEC) 2012-2016⁶. The PAFFEC will be implemented with support from the SNER and will have an initial investment at the national level estimated at \$25 million USD. Although it is still not possible to estimate how many of those resources will be invested directly in the project's prioritized municipalities in the southeastern region, the components that will be executed by the PAFFEC include activities related to soil conservation, production of organic fertilizers, the installation of micro-irrigation systems, fencing in animals, conservation of firewood and improved stoves, improved water quality, training facilitators in environmental management and sustainable agriculture, among other activities.

Currently, the MARN does not have any program or project in operation, and there are no projected additional investments, solely the work of regional offices in each department whose principal function is to address the demand for Environmental Impact Assessments (EIAs) in the region and investigate claims of contamination from various causes.

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

The project design is closely aligned to the original PIF. The structure of the project components closely resembles the PIF that was approved by the GEF. However, the following changes were made, which do not represent a departure from the project's strategy as defined originally in the PIF nor will they have an impact on the funds (GEF and co-financing) originally budgeted:

PIF Outputs	Project Document Outputs
<ul style="list-style-type: none"> - Forest Policy reform to include the thorny bush and dry forest as forest ecosystems and provide for LULUCF including C flow assessments <p>Note: Over the past two years, INAB has been working on a revised National Forest Policy and there is a new proposal entitled "National Forest Policy of Guatemala, Vision 2022," which includes the thorny bush and dry forest as forest ecosystems and provide for LULUCF including C flow assessments</p>	<ul style="list-style-type: none"> - National Action Program to Combat Desertification and Drought updated
<ul style="list-style-type: none"> - REDD+ pilot project targeting 20,000 ha, 5,160 ha of which will be restored and reforested by planting native species and through natural regeneration. This pilot project includes developing and implementing a proposal for performance-based payment schemes (voluntary market or International Fund) to promote the conservation of dry forest 	<ul style="list-style-type: none"> REDD+ pilot project targeted at 17,456 ha; 3,500 ha of which will be restored and reforested by planting native species and through natural regeneration. This pilot project includes the development and implementation of a proposal for performance-based payment schemes (voluntary market or International Fund) to promote the conservation of dry forest
<ul style="list-style-type: none"> - Methodology for REDD+ pilot project in dry forest is developed 	<ul style="list-style-type: none"> - Methodology for REDD+ pilot project in the dry forest applied

⁶ MAGA. Programa de Agricultura Familiar para el Fortalecimiento de la Economía Campesina PAFFEC 2012-2015. Documento de Política Pública No. 2. 65 páginas.

- SFM/SLM plan for the upper and middle sections of two (2) watersheds associated with dry forests and the Ayarza Lagoon include planning for firewood use, establishment of riparian buffers strips, and use of windbreaks and live fences	- SFM/SLM plans for the upper and mid sections of the Ostúa River Watershed associated with the dry forests and the Ayarza Lagoon include planning for firewood use, the establishment of riparian buffer strips, and the use of windbreaks and live fences
- Development plans for three (3) municipalities incorporate SFM/REDD+ and SLM principles and their implementing measures	- Development plans for up to fifteen (15) municipalities incorporate SFM /REDD+ and SLM principles and their measures for implementation
- Three (3) environmental/forestry municipal offices (Jalapa, Jutiapa, and Sta. Rosa) fully equipped and with skilled staff for control of illegal use of forest (e.g., illegal logging and fire wood extraction), control of forest fires, and enhanced conservation of BD and C sequestration	- Four (4) environmental/forestry municipal offices (Jalapa, Jutiapa, and Santa Rosa) are fully equipped and with staff trained to control forest fires, and enhance BD conservation and C sequestration
- REDD+ pilot project for 4,334 ha in the buffer zone (agricultural production landscape) of Todos Santos Cuchumatanes PA. This pilot project includes developing and implementing a proposal for performance-based payment schemes (voluntary market or International Fund) to promote the conservation of humid montane forests	- REDD+ pilot project for 34,357 ha in a production/conservation landscape that includes the Todos Santos Cuchumatanes PA. This pilot project includes developing and implementing a proposal for performance-based payment schemes (voluntary market or the International Fund) to promote the conservation of humid montane forests
- Methodology for REDD+ pilot project in humid montane forest is developed	- Methodology for REDD+ pilot project in humid montane forest applied
- Biological corridor established (250 ha) between forest remnants	- Biological corridor established (420 ha) between forest remnants
- Two (2) BD/forest conservation agreements between the municipality and agriculture/cattle ranching associations facilitate implementing two incentives (PINFOR, PINPEP) in order to maintain the forest cover (20,176 ha) in an agriculture/cattle ranching production landscape, and ensures permanence of the project's benefits	- Four (4) BD/forest conservation agreements between the municipality and agriculture/cattle ranching associations facilitate implementing two incentives (PINFOR, PINPEP) in order to maintain the forest cover (13,843 ha) in an agriculture/cattle ranching production landscape, and ensures permanence of the project's benefits

In addition, to ensure the focal area funding matches the text of the objectives of the components as suggested by the GEF Secretariat review, \$100,000 USD of the CCM focal area funds from the Pilot Project 1 (Component 2) were reassigned to the Pilot Project 2. In this way two focal areas are included (BD and CCM) in order for the Pilot Project 2 to qualify for the SFM/REDD+ incentive. The CCM investment will result in 25,679 tCO₂-e sequestered through humid montane forest rehabilitation over a 5-year period. Finally, BD benefits were excluded from the expected outcomes in Component 1 to compensate for the absence of funding available in the BD STAR allocation of Guatemala.

Finally, project management costs (PMCs) were reassessed and reduced from 10% to 6.5%. Project Monitoring and Evaluation (M&E) costs were excluded from the PMCs since most of the M&E-related activities are technical in nature and included as part of the costs of project component 2.

A.6. Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:

Risks to the project were also updated during the PPG. The rate of the uncertainty regarding regarding property and land use rights was increased from “medium” to “high” since this risk is particularly critical for achieving the REDD+ pilot project objectives. In addition, the risk of local stakeholders not granting free, prior, and informed consent (FPIC) for implementing project activities and the uncertainty regarding the continuation of the PINFOR beyond 2016 were added:

Risk	Rate*	Risk mitigation strategy
Uncertainty regarding property and land use rights	H	In order to reduce the risk related to the lack of clarity regarding property rights and use of forest resources, the project will respect all existing forms and regulations that guarantee those rights, including the customary/traditional rights of the indigenous communities and rights of the local communities to use municipal and communal forests. In those cases where there is little clarity or conflict exists regarding property and use rights, the project will assume a conciliatory approach in order to arrive at the best solution possible for all parties without compromising the achievement of the project's outcomes. Reduction of this risk is particularly critical for achieving the REDD+ pilot project objectives; the project will have the support of an expert on community conflict prevention and resolution to reduce this risk. Legal support regarding rights of ownership over the reduction of GHG emissions in order to receive the pertinent benefits will be provided during an early phase of the REDD+ pilot project implementation to resolve possible conflicts about ownership rights over emissions reductions or the mechanisms to access performance-based payments, particularly in the case of a municipal jurisdictional program that would encompass territory with different situations of ownership and possession of the forests.
FPIC is not granted by local stakeholders	L	As expressed in Agreement 169 of the International Labor Organization (ILO), the principle of "free, prior, and informed consent" (FPIC) applies in cases where indigenous territories will be affected by an intervention. All project activities that involve indigenous territories will be developed based on the principles of FPIC and in accordance with the conventions of which Guatemala is a signatory (Guatemala ratified the ILO in 1996), and with the national laws regarding indigenous peoples' and local communities' participation (e.g., Municipal Code). Additionally, the project will follow all related considerations to be included in the REDD+ National Strategy that is to be developed by the GoG, and which are currently outlined in the R-PP. To obtain the FPIC, the project will build on the local consultations that were developed during the PPG phase, particularly in the department of Huehuetenango where most of the population is indigenous, and will rely on FUNDAECO and INAB, who have long working relationships with the local communities.
Uncertainty regarding the continuation of the PINFOR beyond 2016	M	PINFOR is a tool of the National Forest Policy that began operating in 1997 and is valid until 2016. The Board of the INAB is currently drafting a legal proposal for the continuation of the PINFOR beyond 2016. This proposal is expected to be submitted to the Guatemalan Congress for consideration in late 2013. Since the project will be working closely with the INAB, a follow-up of this process will be possible. The project will give priority to the submittal of proposals to the PINFOR during its first two years of implementation to access the related incentives before 2016. In the event that the PINFOR is not extended, the project will continue working with the PINPEP incentive, which will not expire.

* H: High; M: Medium; L: Low

A.7. Coordination with other relevant GEF financed initiatives. NA

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

Stakeholder engagement in the project was initiated during the PPG and a stakeholder participation plan for the project implementation phase was defined. These are described in the following paragraphs.

Stakeholder Participation during Project Preparation

During the PPG phase of the project, key stakeholders participated in planning and project design workshops and several smaller focus group sessions and meetings. These participatory forums were the following: a) PPG phase inception workshop and b) project Results Framework Workshop. Additionally, multiple individual meetings and consultations with key national and local stakeholders were held during the PPG phase by the project team, UNDP CO, and staff from the MARN and FUNDAECO. Descriptions of the PPG phase workshops are presented below.

Inception Workshop of the PPG Phase. The Inception Workshop was held on August 16, 2012 in Guatemala City. The objectives of this workshop were to: a) help the PPG project team and other stakeholders to understand and take ownership of the project goals and objectives, b) ensure that the project team and other stakeholders have a clear understanding of what the PPG phase seeks to achieve as well as their own roles in successfully carrying out the PPG activities, c) re-build commitment and momentum among key stakeholders (including potential project co-financers) for the PPG phase, and d) validate the PPG Work Plan. The participants in the PPG Phase Inception Workshop included staff from the MARN, CONAP, FUNDAECO, UNDP CO, and the PPG project team.

Project Results Framework Workshop. The Results Framework Workshop was held on October 3-4, 2012 in Guatemala City. The objectives of this workshop were to: a) define the Results Framework, including the revised project outputs, indicators, baseline information, goals, verification mechanisms, and assumptions; b) preliminary definition of the project's activities for each outcome/output; c) define a preliminary budget for the project, including the co-financing; and d) update the PPG phase Work Plan. The participants in the PPG Phase Inception Workshop included staff from the MARN, CONAP, FUNDAECO, INAB, MAGA, UNDP CO, and the PPG project team.

Stakeholder Participation Plan for the Project Implementation Phase

Objectives of the Stakeholder Participation Plan: The formulation of the stakeholder participation plan had the following objectives: a) to clearly identify the basic roles and responsibilities of the main participants in this project, b) to ensure full knowledge of those involved concerning the progress and obstacles in project development and to take advantage of the experience and skills of the participants to enhance project activities, and c) to identify key instances in the project cycle where stakeholder involvement will occur. The ultimate purpose of the stakeholder participation plan will be the long-term sustainability of the project achievements, based on transparency and the effective participation of the key stakeholders.

During the PPG phase, visits were conducted by the project team and MARN staff to the southeastern region (departments of Jalapa, Jutiapa, and Santa Rosa) and the western region (department of Huehuetenango) to involve the local stakeholders early on in the project design process and to identify potential partnerships with local groups, including the prioritized municipalities, for effective participatory planning and management. A summary of stakeholder roles in project implementation is presented below:

Stakeholders	Project Implementation Role
Ministry of the Environment and Natural Resources (MARN)	The MARN is the technical focal point of the GEF. It is charged with formulating and carrying out environmental policies in Guatemala. It will guide the actions for SLM, BD conservation, and mitigation and/or adaptation to CC. MARN's Climate Change Unit serves as the technical representative to the UNFCCC for the GoG, providing technical and management guidance with regard to climate change. The MARN will provide follow-up and technical orientation to the activities related to SFM/REDD+ and CC.
National Protected Areas Council (CONAP)	CONAP is the focal point of the CBD. It will play a central role in developing policies/strategies for SFM, SLM, and forest and BD conservation.
National Forest Institute (INAB)	INAB is the entity charged with the execution and promotion of forestry policies in Guatemala. It will facilitate access to technical support, technology, and services for SFM to municipalities and other stakeholders.
Ministry of Agriculture Livestock and Food (MAGA)	MAGA is charged with developing and executing the policy for the development of agriculture and the sustainable use of natural renewable resources and their services. It will promote the project's activities for SLM and LULUCF.
Secretary of Planning for the Presidency (SEGEPLAN)	SEGEPLAN is responsible for contributing to the development of general policy for the GoG, as well as monitoring and evaluating compliance. It is responsible for the validation of the project on behalf of the GoG.
Municipalities	The municipalities are responsible for the sustainable management of natural resources within their jurisdictions, in coordination with the institutions charged with developing environmental regulations. The municipalities are organized nationally under the ANAM.
Local communities	Local communities will implement best management practices (BMPs) for the existing forest, as well as for agricultural production practices, to improve soil productivity, maintain forest coverage, and conserve BD. They will be the beneficiaries of training, technical assistance, and economic incentives for implementing SLM and SFM.
Municipal Development Councils	The COMUDES and COCODES, which represent local communities (indigenous and non-indigenous), will participate in decision-making processes regarding SFM/SLM and BD conservation. The

Stakeholders	Project Implementation Role
(COMUDES) and Community Development Councils (COCODES)	COMUDES are formed by the Municipal Mayor, Trustees, Councilors, and the representatives of the COCODES. The COCODES are the community structures created to increase the participation of community members in development planning and governance at the local level. As they are composed of community leaders, their role will be to serve as a liaison between the community and the other stakeholders to ensure good communication and collaboration to benefit the project.
Private sector and Civil Society Organizations (CSOs)	The private sector will be represented through the involvement in the project of Guatemala's Forestry Union, a non-profit organization that promotes the cultivation and sustainable management of forests in the country. In the southeastern region it is represented by the Foresters Association of Jalapa (ASILJA). CSOs from the western region participating in the project include: a) ICUZONDEHUE, whose objective is to promote the integrated sustainable development among its members and the conservation of natural resources. They will form part of the Conservation Agreement for the pilot site in the Huehuetenango region; b) ASILVOCHANCOL, whose objective is to support the strengthening of the organization to generate economic and environmental benefits for its members through the rational and sustainable use of the forest, soil, and water. They will form part of the Conservation Agreement for the pilot site in the Huehuetenango region; and c) ASOCUCH, which represents 12 cooperatives, 9 associations, and 10 groups of entrepreneurial women in the Sierra de los Cuchumatanes. They will participate in the negotiation of BD/forest conservation agreements.
Fundación para el Ecodesarrollo y la Conservación (FUNDAECO)	FUNDAECO has 22 years of experience promoting and managing protected areas. This NGO promotes land and BD conservation, as well as the empowerment, participation, and integration of and by the community. It will carry out activities for the conservation of forests and BD in the department of Huehuetenango in western Guatemala.
Foundation of Integrated Development of Men and the Environment (CALMECAC)	CLAMECAC is an NGO working in the conservation and sustainable management of natural resources in the southeastern region of Guatemala, with the participation of local communities. CALMECAC will contribute to the implementation of the PINFOR and PINPEP incentives and is a co-financer of the project.
Inter-American Development Bank (IADB)	The IADB will provide support as a responsible Party of the FCPF to the GoG in developing the platform for the REDD+ through the implementation of the FCPF's R-PP. The project team will ensure that project activities are consistent with national REDD+ developments undertaken under the R-PP.
German Development Bank (KfW)	The KfW will be one of the project's co-financiers. The project team and the MARN will establish close collaboration with KfW, in order to establish complementarities and to maximize efforts within the framework of activities programmed by the MARN for the dry region of the southeast financed KfW.
United Nations Development Programme (UNDP)	The UNDP is the Project's Implementing Agency and will be responsible for overall project implementation through the Direct Implementation Modality (DIM). It will provide guidance, institutional support, and technical and administrative assistance, as well as theoretical and practical knowledge at the national level and for the effective implementation of the project.

Participation Mechanisms: Three key phases for stakeholders' participation have been identified for the implementation phase of the project: planning, implementation, and evaluation. **Project planning** will include annual meetings with key PA stakeholders (including members of the SC) during which annual goals will be set for each component of the project. These annual planning meetings will also serve to specify the activities that are to be funded through each co-financing source. **Project implementation** will take place according to the annual plans that are approved by the SC, which will be formed by the following agencies: MARN, CONAP, MAGA, and INAB, and the UNDP Country Office (CO). The UNDP CO will be the Executing Agency. Local stakeholders will have an additional mechanism to influence the project through a Local Steering Committee (LSC), which will consist of appointed members, and whose composition, responsibilities, and function will be determined by the stakeholders themselves. The LSC will meet regularly to discuss the project's progress and to communicate interests and concerns to the Project Coordinator. The committee will also have a seat on the Project Board/Project Steering Committee. Subject to confirmation at project inception, the LSC may also designate sub-committees to discuss specific issues such as the mainstreaming of gender considerations into project operations. **Project evaluation** will occur annually with the participation of key stakeholders at the end of each planning year and previous to defining the annual plan for the following year of project implementation. Also, **Mid-term and final evaluations** will be carried out as part of the project cycle. Due to the independent nature of these evaluations, they will be key moments during the project's life when stakeholders can

express their views, concerns, and assess whether the project's outcomes are being achieved and if necessary, define the course of correction.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

Local communities of the western and eastern regions, many of whom are Mayan, have traditionally depended on forest resources for their livelihoods, particularly for timber and fuel wood. Some of these communities are among the poorest in Guatemala, with average annual incomes of only \$820 USD. The project will benefit these communities by: a) developing mechanisms for sharing revenues from the sale of forest credits in local C markets or international funds, thereby increasing net income by \$2.50 to \$4 USD per tCO₂ eq/year; b) improving access to economic incentives to maintain and improve forest cover of up to \$540 USD per ha through programs such as PINFOR and PINPEP; and c) improving the skills of local forest guards (some of whom are women) working in environmental/forestry municipal offices and municipal PAs.

Indigenous and mestiza women who are small landowners will benefit from the PINFOR and PINPEP programs, the development of sustainable agricultural practices, and will be beneficiaries of capacity-building and technical assistance provided by the project for SLM and LULUCF management practices, SFM/REDD+ methodologies, and BD conservation. The project will facilitate the installation of 2,000 energy-efficient stoves for approximately the same number of families in the communities residing in the dry landscapes of southeastern Guatemala who use firewood as their principal source of energy. The firewood-efficient stoves program will specifically include women and will respond to their specific needs for cooking and heating.

B.3. Explain how cost-effectiveness is reflected in the project design:

A strategy to counter natural dry and humid montane forest loss in production landscapes by piloting SFM/REDD+ and SLM models and BD conservation actions that will increase ecosystem connectivity in southeastern and western and Guatemala, supported by a strengthened regulatory and institutional framework, is likely to be far more cost-effective in the short and long term than the alternative approach, in which dispersed and uncoordinated efforts limited by the insufficient availability of planning, management, and monitoring tools and weak institutional capacities will prevail. By strengthening national and local institutions in the use of SFM/REDD+, LD, C sequestration, and BD conservation tools, within a framework of effective institutional coordination backed by interinstitutional cooperation agreements, mechanisms that promote effective stakeholder involvement, and improved institutional capacities, the GEF alternative will allow the removal of the barriers that currently prevent Guatemala from implementing effective land/forest management and BD conservation strategies in the southeastern and western regions of Guatemala in order to secure the flow of multiple ecosystems services.

Cost-effectiveness will be promoted by working with and through existing institutions that already have organizational and logistical capacities established at local levels, thereby limiting the level of effort (time and resources) that the project will need to make in such capacities. Guatemala has significant background and experience in the implementation of forestry incentives. Through PINPEP and PINFOR, which are administrated by INAB, the country has developed a legal and operational framework that directly benefits the local communities that promote reforestation, natural regeneration, agroforestry, and forest management for production and conservation. The project will promote PINPEP and PINFOR investments as part of the strategy designed for the REDD+ pilot projects so that these incentives are effectively used in areas with the highest threat of deforestation or in areas with high rates of C sequestration to maximize their impact, while reducing costs by using INAB's well-established operational procedures. REDD+ pilot projects will use principles, methodologies, and priorities outlined in the R-PP and the National REDD+ Strategy that Guatemala will be developing in the upcoming years to ensure that the project makes significant contributions to processes already underway and by avoiding duplication and dispersion of efforts, a strategy that will undoubtedly optimize the use of available resources.

CC project benefits are cost-effective. Over a 10-year period (the most conservative life span adopted by voluntary markets for this type of project), the project's total investment of \$11,102,404 USD (CCM and SFM/REDD+ funds only) will result in an increase in C stocks and avoided emissions equal to 2,270,015 tCO₂, for a unit cost of \$4.89 USD/tCO₂-e. This is much lower than the Intergovernmental Panel on Climate Change (IPCC)-recognized ceiling of \$20 USD/tCO₂-e for low-cost technologies.

The return on investment will also include avoided deforestation of 4,290.68 ha of dry forest and 2,588 ha of humid montane forest over a 10-year period, which will have been lost under the alternative scenario that does not include the implementation of effective mechanisms to reduce deforestation. Similarly, the alternative scenario to reduce LD and prevent desertification in the southeastern region does not consider in the short term effective planning for SFM and SLM. The GEF alternative, through the development of SFM/SLM plans, will allow for two watersheds and the incorporation of SFM/SLM principles in up to 15 municipal development plans, thereby reducing pressure on dry forest ecosystems and generating sustainable flows of dry forest ecosystem services, including enhancement of C stocks, improved soils and hydrological capacity, increased productivity and the livelihoods of the rural and urban communities in the region, and quality habitat for BD.

C. DESCRIBE THE BUDGETED M & E PLAN:

Project M&E will be conducted in accordance with the established UNDP and GEF procedures and will be provided by the project team and the UNDP-CO with support from the UNDP/GEF RCU in Panama City. The Project Results Framework in Section 3 provides performance and impact indicators for project implementation along with their corresponding means of verification. The M&E plan includes an inception report, project implementation reviews, quarterly and annual review reports, mid-term and final evaluations, and audits. The following sections outline the principle components of the M&E plan and indicative cost estimates related to M&E activities. The project's M&E plan will be presented and finalized in the Project Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Project Inception Phase

A **Project Inception Workshop (IW)** will be held within the first three (3) months of project start-up with the full project team, relevant GoG counterparts, co-financing partners, the UNDP-CO, and representation from the UNDP-GEF RCU, as well as UNDP-GEF headquarters as appropriate.

A fundamental objective of this IW will be to help the project team to understand and take ownership of the project's goal and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the Project Results Framework and GEF Tracking Tools (BD, LD, CCM, and SFM/REDD+). This will include reviewing the results framework (indicators, means of verification, and assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the AWP with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the IW will be to: a) introduce project staff to the UNDP-GEF team that will support the project during its implementation, namely the CO and responsible RCU staff; b) detail the roles, support services, and complementary responsibilities of UNDP-CO and RCU staff in relation to the project team; c) provide a detailed overview of UNDP-GEF reporting and M&E requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), as well as Mid-term and Final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project-related budgetary planning, budget reviews including arrangements for annual audit, and mandatory budget re-phasing. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines and conflict resolution mechanisms. The Terms of Reference (ToRs) for project staff and decision-making structures will be discussed, as needed, in order to clarify each party's responsibilities during the project's implementation phase. The IW will also be used to plan and schedule the Tripartite Committee Reviews.

Monitoring Responsibilities and Events

A detailed schedule of project review meetings will be developed by the project management in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: a) tentative timeframes for Tripartite Committee (TPC) Reviews, Steering Committee (or relevant advisory and/or coordination mechanisms); and b) project-related M&E activities.

Day-to-day monitoring of implementation progress will be the responsibility of the Project Coordinator (PC) based on the project's AWP and its indicators. The PC will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The PC will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the IW with support from UNDP-CO and assisted by the UNDP-GEF RCU. Specific targets for the first-year implementation progress indicators together with their means of verification will be developed at this workshop. These

will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the AWP. Targets and indicators for subsequent years will be defined annually as part of the internal evaluation and planning processes undertaken by the project team. Measurement of impact indicators related to global benefits will occur according to the schedules defined through specific studies that are to form part of the project's activities and specified in the Project Results Framework.

Periodic monitoring of implementation progress will be undertaken by the UNDP CO through quarterly meetings with the project implementation team, or more frequently as deemed necessary. This will allow parties to take stock of and to troubleshoot any problems pertaining to the project in a timely fashion to ensure the timely implementation of project activities. The UNDP CO and UNDP-GEF RCU, as appropriate, will conduct yearly visits to the project's field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report and AWP to assess first-hand project progress. Any other member of the Steering Committee can also take part in these trips, as decided by the Steering Committee. A Field Visit Report will be prepared by the UNDP CO and circulated no less than one month after the visit to the project team, all Steering Committee members, and UNDP-GEF.

Annual monitoring will occur through the Tripartite Committee (TPC) Reviews. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to TPC review at least once every year. The first such meeting will be held within the first twelve (12) months of the start of full implementation. The project proponent will prepare an APR and submit it to UNDP CO and the UNDP-GEF regional office at least two weeks prior to the TPC for review and comments.

The APR will be used as one of the basic documents for discussions in the TPC. The PC will present the APR to the TPC, highlighting policy issues and recommendations for the decision of the TPC participants. The PC will also inform the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary. The TPC has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the IW, based on delivery rates and qualitative assessments of achievements of outputs.

The **Terminal TPC Review** is held in the last month of project operations. The PC is responsible for preparing the Terminal Report and submitting it to UNDP-CO and to UNDP-GEF RCU. It shall be prepared in draft at least two months in advance of the TPC meeting in order to allow review, and will serve as the basis for discussions in the TPC meeting. The terminal TPC review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learned can be captured to feed into other projects being implemented.

Project Monitoring Reporting

The PC, in conjunction with the UNDP-GEF extended team, will be responsible for the preparation and submission of the following reports that form part of the monitoring process and that are mandatory.

A **Project Inception Report (IR)** will be prepared immediately following the IW. It will include a detailed First Year/AWP divided in quarterly timeframes detailing the activities and progress indicators that will guide implementation during the first year of the project. This work plan will include the dates of specific field visits, support missions from the UNDP CO or the RCU or consultants, as well as timeframes for meetings of the project's decision-making structures. The IR will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any M&E requirements to effectively measure project performance during the targeted 12-month timeframe. The IR will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions, and feedback mechanisms of project-related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized, the IR will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to the IR's circulation, the UNDP CO and UNDP-GEF's RCU will review the document.

The **Annual Project Report (APR)** is a UNDP requirement and part of UNDP CO central oversight, monitoring, and project management. It is a self-assessment report by the project management to the CO and provides input to the country office reporting process and the Results-Oriented Annual Report (ROAR), as well as forming a key input to the TPC Review. An APR will be prepared on an annual basis prior to the TPC review, to reflect progress achieved in meeting the project's AWP and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible but should include the following sections: a) project risks,

issues, and adaptive management; b) project progress against pre-defined indicators and targets, c) outcome performance; and d) lessons learned and best practices.

The **Project Implementation Review (PIR)** is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from on-going projects. Once the project has been under implementation for one year, a PIR must be completed by the CO together with the project management. The PIR can be prepared any time during the year and ideally prior to the TPC review. The PIR should then be discussed in the TPC meeting so that the result would be a PIR that has been agreed upon by the project, the Implementing Partner, UNDP CO, and the RCU in Panama. The individual PIRs are collected, reviewed, and analyzed by the RCU prior to sending them to the focal area clusters at the UNDP-GEF headquarters. In light of the similarities of both APR and PIR, UNDP-GEF has prepared a harmonized format for reference.

A **Project Terminal Report** will be prepared by the project team during the last three (3) months of the project. This comprehensive report will summarize all activities, achievements, and outputs of the project; lessons learned; objectives met or not achieved; structures and systems implemented, etc.; and will be the definitive statement of the project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's activities.

Independent Evaluation

The project will be subjected to at least two independent external evaluations as follows:

An independent **Mid-Term Evaluation** will be undertaken at exactly the mid-point of the project lifetime. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency, and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation, and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, ToRs, and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The ToRs for this Mid-Term Evaluation will be prepared by the UNDP-CO based on guidance from the UNDP-GEF RCU. The management response of the evaluation will be uploaded to the UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC). All GEF Tracking Tools for the project will also be completed during the mid-term evaluation cycle.

An independent **Final Evaluation** will take place three months prior to the terminal Steering Committee meeting, and will focus on the same issues as the Mid-Term Evaluation. The Final Evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Resource Center (ERC). The ToRs for this evaluation will be prepared by the UNDP-CO based on guidance from the UNDP-GEF RCU. All GEF Tracking Tools for the project will also be completed during the final evaluation.

Audits

The project will be audited in accordance with the UNDP Financial Regulations and Rules and applicable audit policies.

Learning and Knowledge Sharing

Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP-GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP-GEF RCU has established an electronic platform for sharing lessons between the project managers. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every twelve (12) months. UNDP-GEF shall provide a format and assist the project team in categorizing, documenting, and reporting on lessons learned. Specifically, the project will ensure coordination in terms of avoiding overlap, sharing best practices, and generating knowledge products of best practices in the area of PA and ecotourism management with the current projects of Guatemala's portfolio.

M&E work plan and budget

Type of M&E activity	Responsible Parties	Budget US\$*	Time frame
Inception Workshop	<ul style="list-style-type: none"> Project Coordinator UNDP CO UNDP GEF 	2,500 (GEF) 2,000 (CoF)	Within first two months of project start-up
Inception Report	<ul style="list-style-type: none"> Project Team UNDP CO 	None	Immediately following IW
Measurement of Means of Verification of project results	<ul style="list-style-type: none"> UNDP GEF Regional Technical Advisor/Project Coordinator will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members 	To be determined during the initial phase of implementation of the project and the IW.	Start, mid-point, and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	<ul style="list-style-type: none"> Oversight by Project Coordinator Project Team 	No separate M&E cost: to be absorbed within salary and travel costs of project staff	Annually prior to APR/PIR and to the definition of annual work plans
APR and PIR	<ul style="list-style-type: none"> Project Coordinator and Team UNDP-CO UNDP-GEF 	None	Annually
Tripartite Committee Reviews and Reports	<ul style="list-style-type: none"> GoG counterparts UNDP CO UNDP GEF RCU 	None	Annually, upon receipt of APR
Steering Committee/Board Meetings	<ul style="list-style-type: none"> Project Coordinator UNCP-CO GoG representatives 	2,500 (GEF) 3,000 (CoF) (1,100 per year)	Two times per year
Quarterly progress reports	<ul style="list-style-type: none"> Project Coordinator and Team 	None	Quarterly
Technical reports	<ul style="list-style-type: none"> Project Coordinator and Team Hired consultants as needed 	5,000 (GEF) 4,000 (CoF)	To be determined by Project Team and UNDP-CO
Mid-term Evaluation	<ul style="list-style-type: none"> Project Coordinator and Team UNDP- CO UNDP-GEF RCU External Consultants (evaluation team) 	51,675 (GEF) 8,000 (CoF)	At the mid-point of project implementation
Final Evaluation	<ul style="list-style-type: none"> Project Coordinator and Team UNDP- CO UNDP-GEF RCU External Consultants (evaluation team) 	62,170 (GEF) 13,000 (CoF)	At least three months before the end of project implementation
Terminal Report	<ul style="list-style-type: none"> Project Team UNDP-CO 	2,000 (GEF) 2,000 (CoF)	At least three months before the end of the project
Lessons learned	<ul style="list-style-type: none"> Project Coordinator and Team UNDP-GEF RCU (suggested formats for documenting best practices, etc.) 	5,000 (GEF) 4,000 (CoF) (1,800 per year)	Yearly
Audit	<ul style="list-style-type: none"> UNDP-CO Project Coordinator and Team Auditors 	22,000 (GEF) (4,400 per year)	Yearly
Visits to field sites	<ul style="list-style-type: none"> UNDP-CO UNDP-GEF RCU (as appropriate) GoG representatives 	No separate M&E cost: paid from IA fees and operational budget	Yearly

TOTAL INDICATIVE COST (*Excluding project team staff time and UNDP staff and travel expenses)	GEF	152,845	
	CoF	36,000	
	Total	188,845	


PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Luis Alberto Ferraté Felice	Minister	Environment and Natural Resources	03/28/2011

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adrian Dinu, UNDP-GEF Officer-in-Charge and Deputy Executive Coordinator		July 19, 2013	Santiago Carrizosa, Senior Technical Advisor, EBD	+507 302-4510	Santiago.carrizosa@undp.org

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).

Project Strategy	Objectively Verifiable Indicators				
	Indicator	Baseline	Goal (of the Indicator)	Verification Mechanisms	Risks and Assumptions
Project Objective: To strengthen land/forest management processes and biodiversity conservation in order to secure the flow of multiple ecosystems services while ensuring ecosystem resilience to climate change.	Number of hectares (ha) of humid forest under the CCB Standards in the western region (BD-2)	– 0	– 13,843 ha	– CCB Standards – Landscape management plans – Project evaluation reports: PIR/APR, mid-term and final evaluations – GIS/maps – Technical reports – Field verification notes	– Willingness of the decision-makers and local stakeholders to promote and implement BD conservation activities – Mapping efforts are optimal
	Area (ha) (by forest type) under best management practices in LULUCF*, including monitoring of C stocks (CCM-5) *Conserve and enhance carbon stocks in selected forested areas.	– Dry forest: 620.1 ha – Humid forest: 970.85 ha	– Dry forest: 1,500 ha – Humid forest: 13,343 ha	– Field verification and assessment reports – C monitoring reports – Project evaluation reports: PIR/APR, mid-term and final evaluations	– Willingness of the decision-makers and local stakeholders to promote and implement best management practices in LUCUCF
	Area (ha) rehabilitated* (by forest type) (CCM-5) *Reforestation with native species, natural regeneration, and sustainable agroforestry and silvopastoral systems.	– Dry forest: 79.15 ha – Humid forest: 1,513.15 ha	– Dry forest: 3,000 ha – Humid forest: 547 ha		
	Change in coverage (ha) and quality (rapid assessment method) of the forests in the dry areas (LD-2)	– 6,838.47 ha	– 6,838.47 ha	– GIS/maps – Field surveys – Rapid assessment reports	– Sampling efforts are optimal – Environmental variability (including climate change) within normal ranges

	Avoided emissions (tCO ₂ -e) from deforestation by forest type during a 5-year period (SFM/REDD+-1)	<ul style="list-style-type: none"> – Dry forest: 0 – Humid forest: 0 	<ul style="list-style-type: none"> – Dry forest: 413,114 tCO₂-e – Humid forest: 468,360 tCO₂-e 	<ul style="list-style-type: none"> – Tracking tool for SFM/REDD+ projects updated – C flow monitoring system reports 	<ul style="list-style-type: none"> – There is interest by the Government of Guatemala to incorporate SFM principles into forestry and agricultural policies – Sampling efforts are optimal
Component 1: Regulatory and institutional framework integrates principles of sustainable forest management (SFM) and sustainable land management (SLM), and strengthens integrated environmental land management capacity.	National policies incorporate SLM and SFM considerations	<ul style="list-style-type: none"> – Forest incentives program for small landowners – Law for the Protection and Improvement of the Environment – Forestry Policy 	<ul style="list-style-type: none"> – National Action Program to Combat Desertification and Drought (PROANDYS) updated – Agricultural Policy of Guatemala reformed 	<ul style="list-style-type: none"> – Proposals/documents for necessary reforms – Official gazette/published policies 	<ul style="list-style-type: none"> – The political will exists – There is legal feasibility
	Number of national agencies working with inter-agency agreements that integrate principles of SFM and SLM.	<ul style="list-style-type: none"> – 0 	<ul style="list-style-type: none"> – 5: MARN, MAGA, INAB, CONAP, and ANAM 	<ul style="list-style-type: none"> – Signed and/or modified agreements – Operational plans – Meeting minutes 	
	Change in capacity of national technical staff as measured by capacity development indicators.	<ul style="list-style-type: none"> – INAB: 66.67% – CONAP: 57.14% – MAGA: 76.92% – MARN: 61.54% 	<ul style="list-style-type: none"> – INAB: 76.67% – CONAP: 67.14% – MAGA: 86.92% – MARN: 71.54% 	<ul style="list-style-type: none"> – Updated Capacity Development Scorecard – Project evaluation reports – Database containing training records 	<ul style="list-style-type: none"> – National technical staff satisfactorily apply their new knowledge and skills – There is low staff turnover within the national agencies that benefit from the training activities
Outputs: <ol style="list-style-type: none"> 1.1. Interagency agreement for cooperation between the MARN, CONAP, the National Forests Institute (INAB), the Ministry of Agriculture, Livestock, and Food (MAGA), and the National Association of Municipal Governments (ANAM) that allows inclusion of SFM / SLM principles into forestry and agricultural policies, and that ensures the permanence of the project's benefits. 1.2. National Action Program to Combat Desertification and Drought updated. 1.3. Strengthened capacity of government field personnel (foresters and agricultural extension officers) in LULUCF management practices, SFM/REDD+ methodologies, and MRV. 1.4. Municipal-level SFM/SLM GIS mapping tool benefits the development and guides the implementation of municipal development plans at the national level. 1.5. National protocol for monitoring C flows has been developed and articulated with forest production / management plans (INAB), land use planning (municipalities), and conservation plans (CONAP). 					
Component 2: Pilot projects for SFM/REDD+ and SLM reduce land	<i>Pilot 1: SFM/REDD+ and SLM improve C stocks and reduce dry forest deforestation in a dry mountain landscape in southeastern Guatemala.</i>				
	tCO ₂ -e sequestered through dry forest rehabilitation	<ul style="list-style-type: none"> – 14,299.7 tCO₂-e (302.5 ha) 	<ul style="list-style-type: none"> – 116,848 tCO₂-e 	<ul style="list-style-type: none"> – Field measurements/notes – C flow monitoring 	<ul style="list-style-type: none"> – Sampling efforts are optimal

degradation, increase C stocks, and strengthen BD conservation in southeastern and western Guatemala.				system reports – Project evaluation reports: PIR/APR, mid-term and final evaluations	
	Number of ha protected through REDD+ practices during a 5-year period	– 0	– 1,906 ha	– National maps of forest cover (only one verification at the end of 5 years)	– Mapping effort are optimal – There are stable markets for the sale and purchase of carbon credits or available international funds to make payments for performance: Minimum price of US\$2.50/VCU
	Revenue/gross contributions (USD) through reduction of emissions under REDD+ during a 5-year period.	– 0	– \$619,672 USD (247,869 VCUs)	– Requests to purchase VCUs (US\$2.50/VCU) – Receipts for VCUs purchased – Reports/revenue records from sale of VCUs by the project	
	Change in the capacity of municipal staff as measured by capacity development indicators	<u>Municipalities (11 out of 15):</u> – San Manuel Chaparrón: 15.38% – Jalapa: 33.33% – San Luis Jilotepeque: 51.28% – Mataquescuintla: 30.77% – Quesada: 35.71% – El Progreso: 25.64% – Santa Catarina Mita: 38.10% – Asunción Mita: 7.14% – Agua Blanca: 35.71% – San Rafael Las Flores: 30.77% – Casillas: 56.41%	<u>Municipalities:</u> – San Manuel Chaparrón: 25.38% – Jalapa: 43.33% – San Luis Jilotepeque: 61.28% – Mataquescuintla: 40.77% – Quesada: 45.71% – El Progreso: 35.64% – Santa Catarina Mita: 48.10% – Asunción Mita: 17.14% – Agua Blanca: 45.71% – San Rafael Las Flores: 40.77% – Casillas: 66.41%	– Updated Capacity Development Scorecard – Project evaluation reports – Database containing training records	
	<i>Pilot 2: SFM/REDD+ increases ecosystem connectivity and contributes to the conservation of BD in a humid montane landscape in western Guatemala.</i>				
	tCO ₂ -e sequestered through humid montane forest rehabilitation	– 30,130.8 tCO ₂ -e	– 25,679 tCO ₂	– Field measurements/notes – C flow monitoring system reports – Project evaluation reports: PIR/APR, mid-term and final evaluations	– Sampling efforts are optimal
	Number of ha protected	– 0	– 1,012 ha	– National maps of forest	– Mapping effort are

	through REDD+ practices during a 5-year period			cover (only one verification at the end of 5 years)	optimal – There are stable markets for the sale and purchase of carbon credits or available international funds to make payments for performance: Minimum price of US\$2.50/VCU
	Revenue/gross contributions (USD) through reduction of emissions under REDD+ during a 5-year period	– 0	– \$702,540 USD (281,016 VCUs)	– Requests to purchase VCUs (US\$2.50/VCU). – Receipts for VCUs purchased – Reports/revenue records from sale of VCUs by the project	
	Number of key species by biological groups (amphibians and plants) present in the project area	– Amphibians: 8 (<i>Plectrohyla tecunumani</i> , <i>Bolitoglossa nussbaumi</i> , <i>Pseudoeurycea rex</i> , <i>Plectrohyla hartwegi</i> , <i>Dendrotriton cuchumatanus</i> , <i>Plectrohyla hartwegi</i> , <i>Plectrohyla ixil</i> , <i>Craugastor lineatus</i>) – Plants: 11 <i>Pinus hartwegii</i> , <i>Pinus pseudostrobus</i> , <i>Pinus ayacahuite</i> , <i>Alnus jorulensis</i> , <i>Alnus firmifolia</i> , <i>Arbutus xalapensis</i> , <i>Cupressus lusitanica</i> , <i>Juniperus standleyi</i> , <i>Abies guatemalensis</i> , <i>Quercus sp.</i> , <i>Budleya nítida</i>	– Amphibians: 8 – Plants: 11	– Monitoring reports/databases – Biological censuses and field notes	– There are no substantial changes in land use/coverage – Sampling efforts are optimal – Environmental changes within normal ranges of variability
	Change in the capacity of municipal staff and community members as measured by capacity development indicators	<u>Municipalities:</u> – Santa Eulalia: 33.33% – Chiantlá: 50.00% – San Pedro Soloma: 33.33% – San Juan Ixcay: 38.10% – Todos Santos Cuchumatán: 73.81% <u>CSOs:</u> – ASOCUCH: 64.10% – ICUZONDEHUE: 66.67%	<u>Municipalities:</u> – Santa Eulalia: 43.33% – Chiantlá: 60.00% – San Pedro Soloma: 43.33% – San Juan Ixcay: 48.10% – Todos Santos Cuchumatán: 83.81% <u>CSOs:</u> – ASOCUCH: 74.10% – ICUZONDEHUE: 76.67%	– Updated Capacity Development Scorecard – Project evaluation reports – Database containing training records	– There is willingness by the local farmers to incorporate BD conservation as part of their activities

		– ASILVOCHANCOL: 64.10% – ACODIHUE: 80.00%	– ASILVOCHANCOL: 74.10% – ACODIHUE: 90.00%		
<p>Outputs:</p> <p>Pilot 1: <i>SFM REDD+ and SLM increase C stocks and reduce deforestation of the dry forest in a dry mountain landscape in southeastern Guatemala.</i></p> <p>2.1. REDD+ pilot project targeted at 17,456 ha; 3,500 ha of which will be restored and reforested by planting native species and through natural regeneration. This pilot project includes the development and implementation of a proposal for performance-based payment schemes (voluntary market or International Fund) to promote the conservation of dry forest.</p> <p>2.2. Methodology for REDD+ pilot project in the dry forest applied.</p> <p>2.3. SFM/SLM plans for the upper and mid sections of the Ostúa River Watershed associated with the dry forests and the Ayarza Lagoon include planning for firewood use, the establishment of riparian buffer strips, and the use of windbreaks and live fences.</p> <p>2.4. Energy-efficient stoves program reduces firewood consumption and GHG emissions.</p> <p>2.5. Strengthened capacity of municipalities and community members in the southeastern region for including SFM and SLM, and REDD+ tools in local development plans in order to contribute to the institutional sustainability of project outcomes.</p> <p>2.6. Development plans for up to fifteen (15) municipalities incorporate SFM /REDD+ and SLM principles and their measures for implementation.</p> <p>2.7. Four (4) environmental/forestry municipal offices (Jalapa, Jutiapa, and Santa Rosa) are fully equipped and with staff trained to control forest fires, and enhance BD conservation and C sequestration.</p> <p>Pilot 2: <i>SFM/REDD+ increases ecosystem connectivity and contributes to the conservation of BD in a humid mountain landscape in western Guatemala.</i></p> <p>2.8. REDD+ pilot project for 34,357 ha in a production/conservation landscape that includes the Todos Santos Cuchumatanes PA. This pilot project includes developing and implementing a proposal for performance-based payment schemes (voluntary market or the International Fund) to promote the conservation of humid montane forests.</p> <p>2.9. Methodology for REDD+ pilot project in humid montane forest applied.</p> <p>2.10. Biological corridor established (420 ha) between forest remnants.</p> <p>2.11. Four (4) BD/forest conservation agreements between the municipality and agriculture/cattle ranching associations facilitate implementing two incentives (PINFOR, PINPEP) in order to maintain the forest cover (13,843 ha) in an agriculture/cattle ranching production landscape, and ensures permanence of the project's benefits.</p> <p>2.12. Strengthened capacity of municipalities and community members in the western region for including SFM, REDD+, CC mitigation, and BD conservation tools in local development plans in order to contribute to the institutional sustainability of project outcomes.</p> <p>2.13. BD conservation criteria (ecosystem connectivity and PA buffers) and sustainable agriculture/cattle ranching practices incorporated into the development plans for five (5) municipalities.</p> <p>2.14. Five (5) monitoring systems to assess SFM/REDD+ and BD benefits at the municipal level.</p>					

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).

Reviewer's comments	Responses	Reference
Secretariat Comment at PIF (PFD)/Work Program Inclusion, May 5, 2011.		
1) Ensure the focal area funding matches the text of the objectives of the components. The specific problem is in Component 2, pilot 2 and Component 1. In Table A pilot 2, the funding sources are listed as BD and SFM/REDD. But two focal areas are needed to qualify for the SFM/REDD incentive. This pilot also lists carbon benefits. One way to deal with this is to take some climate funds from another component and add them here. Component 1 indicates there are BD benefits as expected outcomes, yet there is no listed BD funding. It could work to place some of the BD funding currently listed in pilot #2 here in component 1. Listing the funding this way will show that we are accountable by assigning the funds for the appropriate focal area benefits.	To ensure that the focal area funding matches the text of the components' objectives as suggested by the GEF Secretariat review, \$100,000 USD of the CCM focal area funds from Pilot Project 1 (Component 2) were reassigned to Pilot Project 2. In this way two focal areas are included (BD and CCM) in order for Pilot Project 2 to qualify for the SFM/REDD+ incentive. The CCM investment will result in 25,679 tCO ₂ -e sequestered through humid montane forest rehabilitation over a 5-year period. Additionally, BD benefits were excluded from the expected outcomes in Component 1 to compensate for the absence of funding available in the BD STAR allocation of Guatemala.	- Project Document: Total Budget and Work Plan - CEO Endorsement Request: Project Framework
2) GEF funds should not be used for funding compliance of existing policies. Table A, output 2.4.3 seems to indicate that GEF funding will be used to provide staff for "control of illegal use of forest (e.g. illegal logging...". Please modify this text, and also design activities such that GEF funds are not used for funding compliance of existing policies. The simplest solution would be to remove the text "for control of illegal use of forest (e.g. illegal logging&€..extraction)"	As suggested, changes were made as part of the project design so that GEF funds will not be used for funding compliance with existing policies. In particular, the related output was modified in the text as follows: "Four (4) environmental/forestry municipal offices (Jalapa, Jutiapa, and Sta. Rosa) fully equipped and with skilled staff for the control of forest fires, and enhance conservation of BD and C sequestration." It must also be noted that GEF funds will not be used to hire staff for the municipal offices; any additional staff needed will be paid for by the municipalities. As stated in the Project Document, through agreements and/or memorandums of understanding, the commitments and responsibilities of the parties will be established. This will include the allocation and funding by each municipality for the staff required to make the environmental/forestry municipal offices operational and sustainable.	- Project Document: 2. Strategy: Project objective, outcomes, and outputs/activities - CEO Endorsement Request: Project Framework
3) Please ensure a detailed description of collaboration and integration with the KfW Dry Forest Project.	Meetings were held during the PPG phase with MARN officials, UNDP Country Office officials, and KfW officials to define the co-financing from the KfW through the "Dry Forest Project." The KfW issued a letter of co-financing for the GEF project for \$11,880,000 USD (9,000,000 Euros). The KfW Dry Forest Project and the GEF project proposed herein are complementary efforts within the framework of the MARN for the southeastern region of Guatemala, which will facilitate the exchange of information and lessons learned between the two projects.	- CEO Endorsement Request: related documentation (i.e., Co-financing Letters)
4) Completed BD, LD, CC (LULUCF), and SFM tracking tools	Tracking Tools for BD, LD, CC (LULUCF), and SFM	- CEO Endorsement

are expected.	were completed as required and are included as part of this CEO Endorsement Request for the project.	Request: related documentation (i.e., Tracking Tools)
GEF Work Program: Comments from Council Members (Reference GEF/C41.08), November 2011		
<u>Germany Comments</u>		
The proposed project claims that more than 80% of the co-financing volume (i.e. more than 60% of the total project costs) is contributed by the “Dry Forest Project” of the German development Bank (KfW). We note that there is no agreement yet between UNDP (GEF-Agency in charge for the proposed project) and the KfW-program on this potential co-financing.	Meetings were held during the PPG phase with MARN officials, UNDP Country Office officials, and KfW officials to define the co-financing from the KfW through the “Dry Forest Project.” The KfW issued a letter of co-financing for the GEF project for \$11,880,000 USD (9,000,000 Euros). The co-financing letter states that both projects are complementary efforts within the framework of the MARN.	- CEO Endorsement Request: related documentation (i.e., Co-financing Letters)
<u>French Comments</u>		
The project stress that 40 % of forest loss in Guatemala is due to illegal logging in PAs. The project lacks of an assessment of which social groups are involved in illegal logging activities. Our evaluations and several independent organizations in Guatemala can provide evidences that narcotraficants willing to operate money laundering by investing in large Fincas and extensive cattle ranching are threatening smallholders to sell their lands or bribing local officials to convert land in agribusinesses outside, in periphery and sometimes in PAs. Our evaluation call for strong law enforcement, control and vigilance of land tenure and protected areas, particularly to protect small holders benefiting from PINFOR our PINEP assistance from being forced to sell their lands. Our recommendation is that the project should consider assisting the Guatemala State in securing more internal budget and capacities (notably from joint patrols of CONAP, Police and Army forces which are already operating in some places) to protect smallholders against narcotraficants' land grabbing pressures.	The problem of drug trafficking and related issues mentioned in the French comment are more specific to the department of Petén in northern Guatemala. Such problems do not exist in the southeastern region, one of the prioritized regions where the project will be implemented. In the western region (department of Huehuetenango), the problem of drug trafficking occurs in the municipalities bordering Mexico; none of the municipalities where the project will be implemented (San Pedro Soloma, Todos Santos Cuchumatán, Chiantla, San Juan Ixcoy and Santa Eulalia) share borders with Mexico and drug trafficking is not present, including in the surrounding landscapes of the only PA in the region (Todos Santos Cuchumatán MRP). In the prioritized municipalities, forest loss and degradation are due principally to the expansion of agriculture and to firewood use. Based on the above, the issue raised as part of the French comment is not anticipated to affect project implementation.	
The project doesn't recognize the effort made recently by CONAP and FUNDAECO to increase the involvement of local indigenous communities in Protected Areas co-management schemes. The current PA laws in Guatemala don't allow local communities to participate in PAs co-management schemes. Previous pilot	With the exception of the Todos Santos Cuchumatán Municipal Regional Park (MRP) in the department of Huehuetenango, the project will not include working with officially established protected areas (PAs); thus, no potential conflicts are anticipated regarding the administration of PAs. The project will be developed on lands that are managed by local communities and municipalities (i.e., municipal forests of Piedras de Kab'tzin, community forests of San José and San	- Project Document: 2. Strategy: Project objective, outcomes, and outputs/activities

<p>projects were implemented with the help of Netherland and France and demonstrated that co-management schemes were feasible (examples are already in places in the Izabal Province). Using Municipal Development Councils (as stated in the PIF p 10) is not operating to involve local indigenous communities in PAs co-management and involvement in benefits and protections activities. Our recommendation is that the project should support the PAs institutional framework and help CONAP to pass adequate legal bills to officially establish PAs co-management schemes with local indigenous communities. Integrating local indigenous communities in the co-management of PAs is the best way to reduce the numerous conflicts existing between the CONAP's PA system and local indigenous communities associations around illegal activities and land claims.</p>	<p>Francisco las Flores, Cerro Cruz Maltín, and municipal forests of Cerro Yaxcalamté). During the PPG phase the local indigenous communities and municipalities of the department of Huehuetenango that will participate in the project expressed their interest in implementing SFM and in the conservation of forests and BD within their territories.</p> <p>In the case of the Todos Santos Cuchumatán MRP, it was designated by the Municipal Council of Todos Santos Cuchumatán as a PA and registered in the Protected Areas System of Guatemala (SIGAP) in 2004. The PA has been recognized as an area with community-based management. Each community involved in the management of this PA has a Community Natural Resource Commission and forest rangers that are fully recognized by the municipal authorities.</p> <p>The project does not include actions for the creation and management of PAs; however, it will establish connectivity between forest remnants and large forested areas with the participation of local communities utilizing CONAP's and FUNDAECO's experience in indigenous community participation in conservation.</p>	
<p>The FFEM recently approved a grant of 1.496.000 Euros to FUNDAECO to support CONAP and the Guatemala PA system in three main departments of Izabal, Peten and Huehuetenango. In this third department, the FFEM grant will help FUNDAECO to implement similar activities as the ones proposed in the proposed PIF. As the FFEM's grant to FUNDAECO in Huehuetenango department is not identified by UNDP office in Guatemala, we strongly request that clear cofinancing and coordinating schemes should be establish within this UNDP/GEF project with the FFEM's Grant to FUNDAECO and CONAP in order to avoid any double financing risks.</p>	<p>The FFEM and the GEF investments complement each other. During the PPG phase, FUNDAECO conducted an assessment jointly with the project design team to clearly identify the technical and financial complementarities between the two investments. FFEM funds will be used to promote the conservation of large forested areas while the GEF funds will be used specifically to promote connectivity between forest remnants (smaller forest patches) with the larger areas. In this regard each project has a different results framework. Since the UNDP Country Office in Guatemala will be implementing the GEF project directly as requested by Government of Guatemala, close coordination will be established with FUNDAECO to ensure complementarities and to avoid any financing risks. Any sub-contracts that may be signed between UNDP and FUNDAECO for the execution of GEF project funds will include provisions to facilitate coordination between the two investments.</p> <p>FUNDAECO submitted a co-financing letter, which includes FFEM's funds as part of its contribution to the GEF project. All of the funding was included the incremental cost analysis of the GEF alternative.</p>	<ul style="list-style-type: none"> - Project Document: 3.1. Incremental Cost Analysis - CEO Endorsement Request: related documentation (i.e., Co-financing Letters)
STAP Scientific and Technical screening of the Project Identification Form (PIF), date of screening: January 25, 2012.		
<p>1. The project framework is comprehensive and the two components are well explained. However, it appears that there is some confusion and lack of differentiation between expected outcomes and outputs. In general, they appear to</p>	<p>The logic followed in the PIF Project Framework follows standard practice of the UNDP and is accepted by the GEFSec. There is some difference in terminology between the PIF Project Framework and the Strategic Results Framework (SRF) of the Project Document.</p> <p>In the PIF, "Outcomes" are understood as quantitative</p>	<ul style="list-style-type: none"> - Project Document: 3.2. Project Results Framework - CEO Endorsement Request: Project Framework

<p>have been transposed in the framework table. Outcomes are the downstream impact or major beneficial change that it is expected the project will contribute to; outputs are the tangible products generated by the project. STAP suggests addressing this minor change before the proposal is submitted for CEO endorsement.</p>	<p>indicator targets of impact, corresponding to each of the thematic components (2 in this case), and are to be achieved during the project's lifetime through the delivery of the concrete deliverables listed in the Outputs column.</p> <p>In the Strategic Results Framework (SRF) of the Project Document, these PIF "outcomes" are then translated into the impact indicators of the horizontal logic and the components are then translated into SRF "outcomes." In practice the SRF of the Project Document is the instrument that project managers will rely upon for guidance, and it is here that we believe the terminology and the vertical and horizontal logics to be more intuitive.</p> <p>Given that the SRF is the principal guidance tool for project managers, our understanding is that it should be limited (even at the "Objectives" level) to what is directly expected of the project: the higher level programmatic context to which the project will contribute is reflected in the table at the beginning of the SRF annex in the Country Programme Outcome, Key Environment and Sustainable Development Key Result Area, GEF Strategic Objective and Program and GEF Expected Outcomes, and is also explained in the text of the Project Document.</p>	
<p>2. Furthermore, STAP suggests strengthening the baseline. For example, there is a need for a systematic assessment of drivers of deforestation, land degradation, habitat loss and biodiversity loss. Similarly, there is a need for quantitative estimates of drivers of deforestation, degradation, and loss of biodiversity. Identifying and ranking the drivers is critical for developing interventions that address the causes.</p>	<p>As suggested by STAP, the baseline was strengthened. An assessment of the systematic drivers of deforestation was conducted and deforestation trends between 1991/1993 and 2010 (19 years) were analyzed for the all of the project prioritized municipalities (15 in the southeastern region and 5 in the western region) and between 2006 and 2010 for the entire regions (information in the PIF only included data for the 1991/1993 - 2001 period). The drivers of deforestation in Guatemala, including the western and southeastern regions where the project will be implemented, are divided into three categories: a) structural drivers (high demand for land, unequal land rights, the complexity of property rights regimes, very high levels of population growth, limited access to employment and services, and insecurity and inequality related to land and income distribution); b) direct drivers (land use change, firewood use, forest fires, illegal logging, and pests and diseases); and c) indirect drivers (high unemployment rate in the rural areas, institutional weakness in monitoring and control, culture of clean crops, and public policies that encourage deforestation. These drivers are explained in the Project Document in <i>Section 1, Situation Analysis</i>.</p> <p>The main driver for land degradation in the southeastern region, which includes 15 prioritized municipalities, is land use change, particularly due to the expansion of agriculture. Additionally, Guatemala still does not have specific policy or legislation in place pertaining to land degradation, which will allow for better land management and reduced degradation. The assessment of soil degradation in the prioritized regions considered available information for indicators</p>	<p>- Project Document: 1. Situation analysis (1.1. Context and global significance; 1.2. Deforestation, land degradation, and BD threats, impacts, and root causes)</p>

	<p>regarding the physical deterioration of soil due to overuse, the level of hydrological protection of the vegetation to the soil, and erosion rates for major watersheds within the region (Los Esclavos River watershed and the Ostúa-Güija watershed). In these watersheds, the overuse of the available land, deforestation, the establishment of clean crops, grazing, and overgrazing on steeply sloping land, and the lack of soil conservation practices are the principal reasons for the erosion. A more detailed analysis regarding land degradation in the prioritized regions is also included in the Project Document in <i>Section 1, Situation Analysis</i>.</p> <p>Regarding BD conservation, a detailed description of the threats to BD and the main causes was developed, with specific reference to the department of Huehuetenango. The main threats to BD include: a) habitat loss and fragmentation, particularly critical for endemic species and populations of mammals with wide home ranges; b) water contamination due principally to household and agricultural wastes; c) overgrazing, which prevents natural forest regeneration including endemic threatened species, and reduces soil productivity through compaction and erosion; d) forest fires, generally related to the traditional practice of slash and burn; and e) climate change (CC), which may cause high mortality rates and extinction of local populations among endemic species and species with restricted distributions, due to increases in temperature. The direct and underlying causes include: a) poverty and extreme poverty prevailing in the rural areas of the department of Huehuetenango and in general in the rural areas of Guatemala; b) population growth, which is highest in Guatemala when compared with other countries in Central America; c) the unequal distribution of land, which forces small land owners that practice subsistence farming in small holdings to be located in areas that are considered marginal for agriculture and critical for BD; and d) deficient environmental planning and weak BD-related public policies. The threats to BD and their root causes are explained in more detail in the Project Document in <i>Section 1, Situation Analysis</i>.</p>	
<p>3. It appears that the sustainable land management (SLM) activities are not detailed, or detailed very little, in the project framework and incremental reasoning for example, the description of the SFM/SLM activities for watershed management is very brief in the proposal. It appears that the proposers are, for example, using SLM simply as a counterpart term to SFM but for non-forest areas. A fuller description would enable a better understanding of the scientific viability of the proposed watershed interventions.</p>	<p>A detailed description of the SLM activities was developed and included in the final design of the project. These activities to develop SFM/SLM plans for the prioritized watersheds (Ayarza Lagoon watershed and the upper and mid-sections of the Ostúa River watershed) considered baseline information for land degradation that was updated for the southeastern region (departments of Jalapa, Jutiapa, and Santa Rosa) and more specifically for the 15 prioritized municipalities in this region (see the response to STAP Comment 2 regarding the baseline for more information), including the two previously mentioned watersheds.</p> <p>It must be noted that land degradation and deforestation are closely interrelated. The primary</p>	<p>- Project Document: 2. Strategy: Project objective, outcomes, and outputs/activities</p>

	<p>drivers of deforestation and forest degradation in the southeastern region (i.e., expansion of agriculture and firewood extraction) are also largely responsible for land degradation in the form of erosion, physical deterioration of soil due to overuse, and loss of water retention and storage capacity of the soils. Accordingly, the main objective of the SFM/SLM plans in each of these watersheds will be to reduce pressure on dry forest ecosystems and to generate sustainable flows of dry forest ecosystem services, including: a) enhancement of C stocks in degraded areas through reforestation and the promotion of natural regeneration (i.e., by giving priority to degraded river banks and groundwater recharge areas), and by establishing silvopastoral systems (i.e., by promoting the development of semi-enclosures for livestock to protect soils and tree cover) and the establishment of agroforestry systems; and b) improved soils and hydrological capacity to increase productivity and the livelihoods of the rural and urban communities within these two watersheds.</p> <p>The project will facilitate the implementation of a firewood-saving (energy-efficient) stoves program that will benefit approximately 2,000 families in southwestern Guatemala who use firewood as their principal source of energy. Particularly, the energy-efficient stoves program will be implemented in the mid part of the Ostúa River watershed where firewood is the least available and with the most degraded soil.</p>	
<p>4. STAP also acknowledges the project will address unsustainable agricultural practices through the reduced use of agro-chemicals, such as soil enrichment with crop residues and animal manure. STAP would appreciate further details on the agricultural sites to assess the feasibility of the proposed interventions. For example, will farmers' access to animal manure be on-site, or off-site and if so will farmers need to pay for it? If the latter is true, UNDP may wish to assess the constraints farmers may face in using animal manure as a sustainable agricultural practice. The mitigation measures also should be defined.</p>	<p>In the southeastern region, the project will promote agricultural best management practices (BMPs) in the upper and mid sections of the Ostúa River watershed. This is a mountainous dry area with an average annual rainfall of less than 1,000 millimeters (mm), dominated by small-scale agriculture. BMPs will include the use of organic fertilizers and the reduced use of chemical pesticides, instead favoring the mechanical removal of pests, particularly in the early stages of their life cycle. The project will promote the use of on-site organic fertilizers (livestock manure and plant-based fertilizers); in those cases where organic fertilizers are not available on-site and farmers must purchase them from external sources, these will be paid through the PINPEP and PINFOR incentives. These popular government programs, which will be promoted by the project to favor participating famers and local community members, provide economic incentives on a per hectare basis to small landowners or landholders interested in implementing agroforestry activities, reforestation activities, forest plantations, and sustainable forest management, among other practices.</p> <p>In the western region, the project will promote sustainable agroforestry in a mountainous humid landscape where small-scale agriculture is commonly practiced. In a similar manner, the project will promote the use of on-site organic fertilizers, and farmers participating in agroforestry activities will also have access to the PINPEP and PINFOR incentives, though</p>	<p>- Project Document: 2. Strategy: Project objective, outcomes, and outputs/activities</p>

	which they will pay for off-site organic agricultural inputs if required.	
5. On Methodology for REDD+, what is the source of the 14 step methodology? There are nearly 15 methodologies approved under the VCS. STAP suggests studying these methodologies and selecting the one most appropriate for the location.	<p>As suggested by STAP, a REDD+ methodology was selected among those approved by the verified carbon standard (VCS). The methodology selected is VCS methodology VM0015. This methodology was developed by the World Bank (BioCarbon Fund) and the Brazilian Foundation for Sustainable Amazonas (FAS). Experience with this methodology in the Northern Lowlands has proven that it is applicable in Guatemala. The application of this methodology should consider the forthcoming requirements of VCS-JNR, as these requirements were designed for jurisdictions adopting a “nested approach,” such as in Guatemala. The links and compatibilities between stand-alone project methodologies and VCS-JNR requirements are still unclear, as the final version of the JNR requirements has not yet been published. However, the Carbon Accounting/REDD+ Expert financed by the PPG, who authored the VM0015 and participated in the preparation of the VCS-JNR requirements, estimates that compatibility issues between VM0015 and VCS-JNR should not be substantial, and that addressing them will be feasible in the context of Guatemala. In fact, many principles and approaches outlined in VCS-JNR requirements have already been implemented in the Northern Lowlands, where VM0015 was applied.</p> <p>Details regarding the VM0015 methodology are included in the Project Document in an annex.</p>	- Project Document: 2. Strategy: Project objective, outcomes, and outputs/activities; Annex 8.6. VCS methodology VM0015
6. The project title claims the project will generate multiple global environmental benefits. However, the proposal appears only explicitly to define global environmental benefits generated by biodiversity conservation and sustainable forest management practices. So, for example, on p.10 the PIF identifies sustainable management of forests as a ‘global benefit’. In actuality, SLM and SFM are routes/ways of achieving global environmental benefits. The actual benefit needs to be defined, especially in a project such as this promising multiple benefits. Since sustainable land management is a driver of SFM and REDD+ and because the proposal is tied to the GEF land degradation focal area, STAP highly recommends specifying the global environmental benefits expected to be generated through SLM, such as carbon sequestration through soil management and soil enrichment practices, as well as climate change mitigation through sustainable agriculture via the use of organic	<p>Following STAP recommendations, carbon sequestration through soil management and soil enrichment practices was estimated as part of the global environmental benefits to be generated through SLM. Estimates were made following IPCC recommendations for Best Management Practices (2005)* and the Revised Guidelines (1996)** to assess national inventories of greenhouse gases (GHG). The evaluation of the global benefits for SLM considered 2,000 hectares (ha) of abandoned land or agricultural land that will be transformed to forested land through reforestation and natural regeneration, and 1,000 ha of agricultural land that will be transformed into agroforestry systems. Accordingly, 20,127 tCO₂-e will be sequestered during the life of the project in those 3,000 ha. This benefit was included in the Project Document.</p> <p>* The Intergovernmental Panel on Climate Change (IPCC). 2003. <i>Good Practice Guidance for Land Use, Land-Use Change, and Forests</i>.</p> <p>** Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories (<i>Chapter 4: Agriculture, and Chapter 5: LULUCF</i>).</p>	- Project Document: 3. Strategic Results Framework and GEF Increment

inputs and reduced use of agro-chemicals.		
<p>7. In the light of the above point, STAP recommends that the project pay explicit attention to the tracking tools and methods for global environmental benefits. Not only should GEBs be a promised output of the project requiring a one-off verification, but also they should be tracked and monitored by the project. Appropriate tools exist especially for carbon and GHG emissions see for example, the GEF-financed Carbon Benefits Project. The UNCCD national reporting indicators for land cover and changes in rural poverty might be considered for benefits of SLM. The whole area of tracking and monitoring of GEBs needs to be addressed in the PPG phase and made a central part of project implementation. Inclusion in Component 1 might be appropriate.</p>	<p>Following STAP's recommendations, explicit attention was given to the Tracking Tools to assess the expected project global environmental benefits (GEBs). PPG funds were used to hire CC and REDD+ national and international experts who made detailed estimates of the projected C project benefits (C sequestration and avoided emissions related to SFM and SLM). Careful consideration was also given to the development of impact indicators and targets included in the project's SRF.</p> <p>As mentioned in the response to STAP Comment No. 6, SLM benefits were estimated using IPCC recommendations for Best Management Practices (2005) and the Revised Guidelines (1996) to assess national inventories of GHG. Tools developed under the GEF-financed Carbon Benefits Project, (implemented by the United Nations Environment Programme [UNEP] together with the Colorado State University [CSU] and the Worldwide Fund for Nature [WWF]) were considered but not used since they are still under development: <i>"Please note that this is a 'soft release' of the CBP toolkit, while the tools are still under development"</i> available at http://www.unep.org/ClimateChange/carbon-benefits/cbp_pim.</p> <p>To track and monitor the GEBs to be delivered, through Component 1, the project will support the development of a Monitoring, Reporting, and Verification (MRV) system related to SLM, LULUCF, SFM/REDD+, and C flows. The MRV system for SLM, LULUCF, SFM/REDD+, and C flows will be linked to the national MRV systems for REDD+, the national GHG inventory, and the national forest inventories. Additionally, the project will put into place a municipal-level GIS mapping tool to assess SFM/SLM benefits and a protocol for monitoring C flows locally. The MRV system and the municipal-level GIS mapping tool will be articulated for effective GEB assessment and monitoring. All related protocols will follow international standards, including the IPCC guidelines and the requirements for VCS-JNR (Jurisdictional and Nested REDD+).</p>	<p>- Project Document: 2. Strategy: Project objective, outcomes, and outputs/activities</p>
<p>8. The risks due to climate change and the potential adverse impact on forests droughts and expansion of semi-arid zones have been adequately recognized. Guatemala also is highly vulnerable to current climate variability, especially due to the occurrence of hurricanes, tropical storms, torrential rains and this issue has been adequately recognized. The source of information on climate change impact seems to be based on National Communication Report</p>	<p>Following STAP's suggestion, the assessment of risks and impacts of CC to dry and humid montane forests in the two prioritized areas was done using the latest scientific and modeling information available. The main sources used were:</p> <p>a) Universidad Rafael Landívar (URL) and Instituto de Agricultura, Recursos Naturales y Ambiente (IARNA). 2011. <i>Cambio climático y biodiversidad. Elementos para analizar sus interacciones en Guatemala con un enfoque ecosistémico</i>. Guatemala, Documento 37, Serie técnica 35 (available at http://www.infoiarna.org.gt/red%20iarna/2012/Red%20Informa%201/red_01_31ene12.html). This source</p>	

submitted in 2001. There are large scientific and modeling advances to assess the climate change, as well as impacts of climate change. Thus, STAP recommends adopting the latest models and scientific methods to assist the impacts. Also, STAP suggests identifying technologies and practices to enhance the resilience of forest ecosystems and forest dependent communities.	<p>used historical precipitation and temperature data (1960 – 2000) to model scenarios for the years 2020, 2050, and 2080.</p> <p>b) Ministerio de Ambiente y Recursos Naturales & Consejo Nacional de Áreas Protegidas. 2011. <i>Evaluación preliminar de los posibles impactos del cambio climático sobre la diversidad biológica y los bosques de Guatemala: recomendaciones para su mitigación y adaptación.</i></p> <p>The data sources used in the above studies included WorldClim (http://www.worldclim.org/), The Global Historical Climate Network Dataset (1950–2000); WMO climatological normals (CLINO) (1961–1990); FAOCLIM 2.0 (1960–1990); a database assembled by Peter G. Jones and collaborators at the International Center for Tropical Agriculture (CIAT) in Colombia; and regional climate database for Latin America and the Caribbean.</p>	
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GEF Secretariat Comment at CEO Endorsement (FSP), May 23, 2013			
Questions	Secretariat Comment at CEO Endorsement (FSP)	Response	Reference in document (CEO Endorsement Request)
8. Are the relevant GEF 5 focal/ multifocal areas /LDCF/SCCF/NPIF objectives identified?	May 23, 2013 CC/JS Component 2 promotes use of energy efficient stoves. Therefore the project will be contributing to CCM-3 objectives as well. Please revise document accordingly to highlight this contribution of the project.	As suggested, the document was revised to highlight the contribution of the project to the CCM-3 objective: <i>Renewable Energy – Promote investment in renewable energy technologies.</i>	– CEO Endorsement: Part I, Section A. Focal Area Strategy – CEO Endorsement: Part II, Section A.2. <u>GEF</u> focal area and/or fund(s) strategies, eligibility criteria and priorities
13. Are the activities that will be financed using GEF/LDCF/ SCCF funding based on incremental/ additional reasoning?	May 23, 2013 Project activities exhibit incremental reasoning by addressing the limitations inherent in the policy and institutional framework, as well as the capacity deficit of authorities and local communities in environmentally sound management practices. CC/JS Not fully clear. Please clarify whether the GEF funds will be invested through PINPEP and PINFOR for SLM and SFM incentives or these baseline projects will be including SLM/SFM activities through the project supported agreements only. Please also explain how the project addresses the issue that PINFOR	GEF funds will not be invested through PINPEP and PINFOR for SLM and SFM incentives; PINPEP and PINFOR are baseline investments that will include SLM/SFM activities (incremental investment). To this end, the project will provide technical support to small landowners or landholders for the development of projects to be submitted to PINPEP and PINFOR that will include SLM/SFM activities. PINPEP and PINFOR funds are under-utilized in the sense that there are not sufficient projects submitted by small landowners or landholders to benefit from the incentives provided by these programs. As mentioned in the project document, the GEF investment includes working closely	– CEO Endorsement: Part II, Section A.4 – The baseline project. – Project Document: Section 2.4 – Project objective, outcomes, and outputs/activities

	<p>and PINPEP funds are underutilized.</p>	<p>with INAB (the government agency in charge of PINPEP and PINFOR) in the southeastern region of Guatemala to provide training, technical support, and follow-up for the development of projects to be submitted to benefit from the incentive. Additionally, the project will provide follow-up in the implementation of specific SLM/SFM activities to ensure that these comply with the PINPEP and PINFOR requirements as well as for the delivery of the expected global environment benefits. Similarly, in the western region (department of Huehuetenango), the project will work closely with FUNDAECO, an environmental NGO that has extensive experience working with indigenous communities and forest conservation and management in Huehuetenango, to provide training, technical support, and follow-up to ensure that projects are submitted to receive the PINPEP and PINFOR incentives. The project's strategy of working in close collaboration with agencies with local experience and knowledge, in addition to municipal authorities, will help to secure resources that otherwise might not have been used.</p>	
	<p>The project document describes land related policies to be structural drivers of deforestation. Coordination among national bodies to integrate SLM/SFM principles is acknowledged. However coordination does not address the underlying issues related to land access and rights policies. Please clarify.</p>	<p>The project will not address land access and rights policies directly due to the complexity of this issue in Guatemala. However, the uncertainty regarding property and land use rights has been identified as a risk to the project since the PIF. As mentioned in the CEO Endorsement Request, Part 2, A.2 (risks matrix), the project will respect all existing forms and regulations that guarantee those rights, including the customary/traditional rights of the indigenous communities and rights of the local communities to use municipal and communal forests. In those cases where there is little clarity or conflict exists regarding property and use rights, the project will assume a conciliatory approach in order to arrive at the best solution possible for all parties without compromising the achievement of the project's outcomes. For the implementation of REDD+ activities, the project will have the support of an expert in</p>	<ul style="list-style-type: none"> – CEO Endorsement Request: Part 2, A.2 (Risks matrix) – Project Document: Section 2.4 – Project objective, outcomes, and outputs/activities

		community conflict prevention and resolution to reduce risk. Legal support regarding rights of ownership over the reduction of GHG emissions in order to receive the related benefits will be provided during an early phase of the REDD+ pilot project implementation to resolve possible conflicts about ownership rights over emissions reductions or the mechanisms to access performance-based payments, particularly in the case of a municipal jurisdictional program that would encompass territory with different situations of ownership and possession of the forests. Furthermore, this risk has been included in UNDP's risk analysis matrix and a close follow-up to the issue will be carried out by the UNDP Country Office as part of its support to project implementation.	
14. Is the project framework sound and sufficiently clear?	May 23, 2013 CC/JS Not fully clear. The project component description use REDD and REDD+ interchangeably. Please use the correct term for associated activities to avoid confusion.	The concept endorsed by this project has been REDD+ since the PIF. The lack of the "+" sign is a typo that has been fixed throughout the document. As suggested, changes were made to ensure that the correct term is used (i.e., REDD+). Additionally, a definition of REDD+ was included for further clarification regarding the type of activities that will be implemented by the project: <i>Reducing Emissions from Deforestation and Forest Degradation (REDD) is an effort to create a financial value for the carbon stored in forests, offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. "REDD+" goes beyond deforestation and forest degradation, and includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks</i> " (source: http://www.un-redd.org).	<ul style="list-style-type: none"> – CEO Endorsement Request – Project Document
	Component 2: Clear description of steps to be undertaken in the pilot projects to generate verifiable carbon credits is appreciated. At the CEO endorsement stage it is expected that baseline carbon stocks and baseline emission scenarios are established per VCS guidelines (in case of this project). Description of the methodologies to be used is appreciated. However, at	Estimates of baseline carbon stocks and baseline emission scenarios followed the principles of conservatism of the VCS, but a specific VCS (or VCS-Jurisdictional and Nested REDD+ [JNR]) methodology was not applied during the FSP design stage. The selected VCS methodology (i.e., VM0015) will be applied during project implementation, as data requirements	<ul style="list-style-type: none"> – Project Document: Section 2.4 – Project objective, outcomes, and outputs /activities, and Annex 8.7.

	<p>this stage an annex with REDD and REDD+ scenarios for both the pilots are expected. Please note that for pilot 1, the GEF does not support CDM so limit the activities to VCS.</p> <p>In order to fully understand the analysis performed and carbon credits expected from REDD and REDD+ activities, please provide an annex (with appropriate tables) that details project sites, baseline deforestation, baseline carbon emission/stock and expected carbon credit generation in accordance with the identified methodologies.</p>	<p>and the requirements of the VCS (or VCS-JNR) methodologies are complex and demanding in terms of information and data that were not possible to obtain during the PPG phase. Obtaining this information will require a coordinated effort between baseline REDD+ initiatives (i.e., Guatemala's R-PP) and this GEF investment. More specifically, the reference scenario for emissions (or baseline) for the central-eastern sub-national region (pilot 1) and the western sub-national region (pilot 2) are required and will be developed within the framework of the R-PP. Additionally, VCS requirements for sub-national and national jurisdictions were not published until October 4, 2012 (Jurisdictional and Nested REDD+ [JNR] Requirements), when the PPG activities were already underway. Nevertheless, please note that an annex was included in the project document to show the project sites, preliminary baseline emission scenarios without the project and with the project for each of the two pilot sites, estimated baseline deforestation, as well as carbon credits expected from REDD+ activities. Also, as suggested, reference to the CDM in pilot 1 was deleted and activities will be limited to the VCS.</p>	
	<p>Component 2 include activities in the selected watersheds to improve land use to reduce carbon emissions and to increase carbon stocks (Outcome 2.3). Only preliminary carbon estimates are provided for agriculture related SLM activities. Please clarify whether activities under this outcome will focus on and directly contribute towards carbon benefits (not as an ancillary benefit).</p>	<p>Carbon estimates (reduced carbon emissions) for agriculture-related SLM activities through soil management and soil enrichment practices were calculated as part of the global environmental benefits to be generated through SLM, including agriculture. The project will implement best management practices related to SLM in 100 ha of agricultural lands, which will result in 512 tCO₂-e of reduced emissions over a 5-year period. Carbon estimates were calculated following IPCC recommendations for Best Management Practices (2005)* and the Revised Guidelines (1996)** to assess national inventories of greenhouse gases (GHG). This benefit was included in the Project Document.</p> <p>* The Intergovernmental Panel on Climate Change (IPCC). 2003. Good Practice Guidance for Land Use, Land-Use Change, and Forests.</p> <p>** Revised 1996 IPCC Guidelines for National</p>	<p>– Project Document: Section 2.4 – Project objective, outcomes, and outputs/activities</p>

		Greenhouse Gas Inventories (Chapter 4: Agriculture; and Chapter 5: LULUCF).	
	Also include calculations related to carbon emission reduced due to introduction of energy efficient cook stoves.	Calculations related to carbon emissions reduced due to introduction of energy-efficient cook stoves were included in an annex in the project document as suggested. Total avoided emissions will be 29,866 tCO ₂ -e during the last two years of the project when the energy-efficient cook stoves program is operating.	– Project Document: Annex 8.8.
23. Is funding level for project management cost appropriate?	May 23, 2013 The outline breakdown of PMC is acknowledged however the rationale of why this increased rate of PMC is necessary is missing. Please either reduce the PMC to a maximum of 5% or provide the rationale for the necessity of this level of PMC.	PMCs were reassessed and reduced to 6.5%. Project Monitoring and Evaluation (M&E) costs were excluded from the PMCs since most of the M&E-related activities are technical in nature and included as part of the costs of project component 2. The total project budget was adjusted accordingly. This level of PMC (6.5%) is needed due the complexity of the project that will require a highly qualified management staff (i.e., Project Coordinator and Financial Administrator), who will be responsible for coordinating and administrating activities in two different geographic areas located in opposite sides of the country. This rationale was provided since the time of PIF and accepted by the GEF program manager at the time (please refer to comment CC/LH/Mar 21 2011 in the GEF Review Sheet).	– CEO Endorsement Request: Section 1, B. Project Framework – Project Document: Section 4 - Total Budget and Workplan
27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?	May 23, 2013 TTs are available. CC/JS However, please update the CCM TT to include CCM-2 objectives and related indicators.	The CCM Tracking Tool was updated as suggested and now includes <u>CCM-2</u> objectives and the related indicators.	– GEF CCM Tracking Tool: Objective 2 – Energy Efficiency
29. Has the Agency responded adequately to comments from: • STAP?	May 23, 2013 Comments raised on strengthening the baseline, description of SLM activities and related benefits, the use of a VCS methodology, and resilience enhancement have been addressed. CC/JS Please highlight activities in component 2 that addresses STAP comments about change in vegetation patterns in the region due to climate change.	The activities that will contribute to maintain forest cover and mitigate the impact of climate change in the southeastern (pilot 1) and western (pilot 2) regions of Guatemala related include: a) the implementation of sustainable agroforestry and silvopastoral systems, which will result in forest enrichment using native species; b) the rehabilitation (including natural regeneration) and reforestation of degraded areas; c) and REDD+ pilot projects, which will reduce deforestation. Carbon stocks will be enhanced over a 5-year period as follows:	– Project Document: section 2.4 – Project objective, outcomes, and outputs/activities

		<p><u>Pilot 1:</u></p> <ul style="list-style-type: none"> – 94,544 tCO₂-e through reforestation and natural regeneration – 20,127 tCO₂-e through sustainable agroforestry systems – 2,178 tCO₂-e through sustainable soil management <p><u>Pilot 2:</u></p> <ul style="list-style-type: none"> – 24,790 tCO₂-e through reforestation in ecologically important areas – 889 tCO₂-e through sustainable agroforestry systems 	
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ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS⁷**A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT**

IMPLEMENTATION, IF ANY:

There were no significant findings that affected the project design. Other than the risks identified in Section A.6 of this CEO Endorsement Request, for which risk mitigation measures have been defined, there are no significant concerns that might affect project implementation.

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: 109,091			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount*</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
1. Assessment of the existing regulatory and institutional framework of the project.	5,974	5,410.77	0
2. Assessment of project socioeconomic benefits and capacity needs of stakeholders for the effective implementation of project activities.	5,974	7,211.36	0
3. Baseline for SFM/REDD+, SLM, CC, LD, and BD proposed actions in the project's pilot areas.	48,623	34,560.00	13,388.87
4. Final preparation of project proposal, including feasibility analysis and budget.	48,520	36,530.49	11,989.51
Total	109,091	83,712.62	25,378.38

* Differences between the budgeted amount and the amount spent were part of standard financial management to achieve the desired outputs; these differences were minor and were not a constraint to the achievement of the PPG outputs.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

N/A

⁷ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.