



GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

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PART I: PROJECT INFORMATION

Project Title: Promoting sustainable and resilient landscapes in the central volcanic chain of Guatemala			
Country(ies):	Guatemala	GEF Project ID: ¹	9059
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5581
Other Executing Partner(s):	Ministry of the Environment and Natural Resources (MARN)	Submission Date:	04 Oct 2017
GEF Focal Area (s):	Multi-focal Areas	Project Duration (Months)	84
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of Parent Program	[if applicable]	Agency Fee (\$)	1,003,004

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
BD-1 Program 1	Outcome 1.1. Increased revenue for protected area systems and globally significant protected areas to meet total expenditures required for management. Outcome 1.2: Improved management effectiveness of protected areas.	GEFTF	2,232,765	9,181,000
BD-4 Program 9	Outcome 9.1 Increased area of production landscapes and seascapes that integrate conservation and sustainable use of biodiversity into management	GEFTF	2,702,821	11,095,000
LD-2 Program 3	Outcome 2.2: Improved forest management and/or restoration ^[LSEP]	GEFTF	2,494,079*	10,245,000
SFM-1	Outcome 2: Innovative mechanisms avoid the loss of high conservation value forest ^[LSEP]	GEFTF	1,857,416	7,655,101
SFM-2	Outcome 3: Increased application of good management practices in all forests by relevant government, local community (both women and men) and private sector actors.	GEFTF	1,857,416	7,655,101
Total project costs			11,144,497	45,831,202

* The project will be applying the STAR partial flexibility mechanism of GEF-6 resources: CCM STAR allocation (US \$2,000,000) is being channeled to LD for a total of \$2,770,000 for this focal area. Amounts allocated to the FSP including fees are shown in Tables D and E.

B. PROJECT DESCRIPTION SUMMARY

Project Objective: To mainstream biodiversity conservation and sustainable land management objectives into production landscapes of the Central Volcanic Mountain Range in Guatemala, contributing to the welfare of local populations and the delivery of multiple global environmental benefits.						
Project Components / Programs	Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
1. Development of	TA	– Farmers agree to adopt	Certified and non-certified	GEFTF	2,091,620	8,816,240

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT programming directions](#).

³ Financing type can be either investment or technical assistance.

<p>an enabling environment for the delivery of multiple global environmental benefits through models of sustainable agriculture/non-timber forest production and economic incentives derived from improved markets and ecosystem services</p>	<p>sustainable production practices that lead to the certification and non-certification of 78,679 hectares (ha) (these production practices will be implemented through Component 2).</p> <ul style="list-style-type: none"> – Two (2) projects for payments for watershed services (PWS) that generate environmental benefits (conservation of biodiversity and forests) at the local level and contribute to the well-being of small landowners and farmers (the two PWS projects will implemented in Component 2). – Two (2) projects for compensation for carbon sequestration and restoration certified and verified provide additional income to small landowners (the two projects will implemented in Component 2). – Increase in net income of beneficiaries: a) Municipalities: Up to \$24.72/household per year resulting from PWS pilot projects and users' willingness to pay; b) land/production unit owners: up to US \$34.62/ha/year, equal to 8,656 tons/ha/year of sequestered carbon (standing forest); c) small landowners and farmers: Up to 10.2% for agricultural and certified and non-certified agriculture/_non-timber forest products (NTFP). – Capacity of small producers and farmers increased by up to 18% for the implementation of biodiversity-friendly production practices, SFM and SLM as measured through UNDP capacity development indicators. 	<p><u>agriculture/ NTFP systems:</u></p> <ul style="list-style-type: none"> – Certification systems for agricultural products and NTFP – Improved marketing strategies and protocols for certified and non-certified agricultural products and NTFP – Competitiveness incentive program (e.g., preferential buying from project areas, price premiums, and extension services) promote the production of certified and non-certified products and increase income opportunities for small farmers derived from the adoption of biodiversity-friendly production practices – Financial and profitability analysis compares the income from control group production units with income from certified project production units <p><u>SFM incentives:</u></p> <ul style="list-style-type: none"> – Carbon sequestration certification and verification program in place following the CDM methodological framework. – Platform for facilitating access to incentives programs (e.g., PINPEP, PROBOSQUE, others) supporting farmers implementing reforestation actions and the mix of native trees and agricultural systems to enhance environmental services (hydrological regulation, biodiversity habitat, carbon storage, and soil protection). <p><u>Payments for Watershed Services (PWS):</u></p> <ul style="list-style-type: none"> – Payment system (compensation/recognition) for watershed services in place that benefits users and providers. 	<p>969,426 (BD) 436,242 (LD) 685,952 (SFM)</p>	
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			<ul style="list-style-type: none"> – Technical guideline for watershed-related payments (compensation/recognition) designed – Protocols and enhanced capacity of environmental authorities for planning and monitoring PWS projects – Benefit-sharing mechanism for watershed-related payments (compensation/ recognition) <p><u>Capacity development:</u></p> <ul style="list-style-type: none"> – Training program increases local knowledge and skills (2,780 small producers and farmers [beneficiaries] differentiated by gender trained by project end) regarding: <ul style="list-style-type: none"> a) standards for certification of biodiversity- and forest-friendly production; forestry incentives, including carbon sequestration and compensation; and methods, standards, and procedures related to PWS; b) business management (e.g., business plan development and basic accounting) of certified and non-certified products, forestry incentives, and PWS; and, c) M&E of certified and non-certified production systems, forestry incentives, and PWS – Participatory monitoring program to assess biodiversity conservation, SFM, and SLM, harmonized with national and local monitoring programs 			
2. Delivering multiple environment benefits by connecting core protected areas within sustainably managed production landscapes in the	TA	<ul style="list-style-type: none"> – Strengthen ecosystem structure and functionality of forests in the central volcanic range in Guatemala through: <ul style="list-style-type: none"> a) 73,076 tCO₂-eq sequestered through restoration of 4,500 ha 	<p><u>Ecosystem connectivity:</u></p> <ul style="list-style-type: none"> – Land use planning strategy supports the implementation and/or strengthening of 31 diversified nurseries, improves production and access to native germplasm 	GEFTF	7,909,617 3,461,357 (BD) 1,800,863 (LD) 2,647,397 (SFM)	34,182,510

Central Volcanic Mountain Chain in Guatemala		<p>of degraded forests using native species, natural regeneration, and landscape management tools (biological corridors, forest enrichment, live fences, windbreaks, etc.)</p> <p>b) 52,045.5 ha of biological corridors connect agriculture /forestry production systems with protected areas.</p> <p>c) 19% reduction in deforestation (1,154 ha) in selected landscapes of the central volcanic range: 247,734.6 tCO₂-eq over a 7-year period (i.e., project duration).</p> <p>d) 78,679 ha of certified and non-certified agriculture/forest production systems (including agroforestry systems in coffee landscapes)</p> <ul style="list-style-type: none"> - Stable populations of indicator species (mammals, birds, and amphibians; species listed in Annex A) as a result of enhanced connectivity facilitated by the biological corridors after seven years. - Improvement of the management effectiveness score of the target Municipal Regional Parks (MRP) (measured by METT) within the pilot landscape: <ul style="list-style-type: none"> a) Tecpán MRP: from 22 to 37 b) – Quetzaltenango MRP: from 38 to 49 c) Zunil MRP: from 32 to 41 d) Esquipulas Palo Gordo MRP: from 37 to 47 e) San Cristóbal Cucho MRP: from 35 to 45 - Decrease in 28.12% in 	<p>for agroforestry and silvopastoral systems; ensures soil stabilization; and contributes to the connectivity of biological corridors</p> <ul style="list-style-type: none"> - Voluntary agreements through different participatory conservation models (e.g., privately owned farms, landowners, communal lands, etc.) used for establishing landscape management tools (i.e., biological corridors, forest enrichment for conservation and fuelwood management, natural regeneration, reforestation, rehabilitation of riparian forests, live fences, windbreaks, etc.), to strengthen ecosystem connectivity and reduce deforestation in production and natural landscapes - Participatory SLM plans for the middle and upper sections of six (6) watersheds (229,831.87 ha) include measures to reduce soil degradation and contribute to enhancing ecosystem connectivity - Participatory energy-efficient stoves program reduces firewood consumption and greenhouse gas (GHG) emissions - Production plans and protocols support the implementation of certified and non-certified sustainable agricultural and NTFP production practices in project sites (private farms, community forests, etc.), at the same time they enhance ecosystem connectivity - Five (5) participatory management plans for MRPs strengthen local management, conservation, monitoring and control, and integration of the PAs into the biocultural landscape 			
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		<p>the financial gap to cover basic management costs and investments in 5 MPRs as a result of new PA financing mechanisms (e.g., payment for ecosystem services [PES] and sustainable tourism).</p> <ul style="list-style-type: none"> – Increase in the management and technical capacity of 200 PA officials, municipal officials, and members of the private sector and as measured by UNDP capacity development indicators: <ul style="list-style-type: none"> a) Municipal PA staff: 12% b) CONAP: 16% c) Private sector: 11% d) Other municipal officials: 18% 	<ul style="list-style-type: none"> – Six (6) proposals for the categorization of national-level PAs (Permanent Closure Zone [PCZ]) and two (2) proposals for the recategorization of National Parks [NP], developed in a participatory manner, include technical feasibility studies considering current national-level categories of the National Park System – SIGAP), thus contributing to the conservation and sustainability of the areas – Financing mechanisms for the management of five (5) MRPs covering 13,662.57 ha implemented, including PES and sustainable tourism – Conservation and management program for three priority areas (4,655.3 ha) for the protection of species of amphibians (San Rafael Pie de la Cuesta MRP, San Marcos; San Pedro Sacatepéquez MRP, San Marcos; and Zunil MRP, Quetzaltenango) <p><u>Capacity development:</u></p> <ul style="list-style-type: none"> – Strengthened institutional capacity program for national and regional officials and field personnel (PA staff; environmental, forestry, and agricultural officials) to support the sustainable management and conservation of biodiversity in production landscapes, the use of SFM and SLM methodologies and tools, and the quantification and evaluation of reduced deforestation – Development planning for 31 municipalities incorporates principles for biodiversity conservation, SFM, SLM, sustainable agriculture, and gender, and their implementing measures – Thirty-one (31) 			
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			<p>environmental/forestry municipal offices with basic equipment and skilled staff for control, surveillance, and reduction of threats to biodiversity, soils, and forests, and gender equality and social inclusion</p> <ul style="list-style-type: none"> – Training and logistical support provided to municipal environmental authorities for implementing biodiversity conservation, SFM, and SLM, as well as their enforcement capabilities – Municipal-level monitoring and enforcement system facilitates decision-making and the assessment of SFM, SLM, and biodiversity conservation benefits in the prioritized landscapes in the Central Volcanic Mountain Range, and articulated with the national monitoring systems 			
3. Knowledge Management and Monitoring and Evaluation (M&E)	TA	<ul style="list-style-type: none"> – Ten (10) publications that document successful experiences about the mainstreaming of objectives of biodiversity conservation, SFM, and SLM in sustainable production landscapes and biological corridors in the Central Volcanic Mountain Chain. – Website serves as a virtual knowledge platform for disseminating information about the project 	<ul style="list-style-type: none"> – The experiences and lessons learned from mainstreaming biodiversity conservation and sustainable land management objectives into production landscapes of the Central Volcanic Mountain Range in Guatemala systematized – Thematic studies and other knowledge are documented, and communication and public awareness raising materials with a gender perspective produced and available for dissemination 	GEFTF	612,570 275,657 (BD) 134,765 (LD) 202,148 (SFM)	650,000
Subtotal					10,613,807	43,648,750
Project Management Cost (PMC) ⁴				GEFTF	530,690	2,182,452
Total project costs					11,144,497	45,831,202

C. CONFIRMED SOURCES OF [CO-FINANCING](#) FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for [co-financing](#) for the project with this form.

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Recipient Government	Ministry of the Environment and Natural Resources (MARN)	In-kind	1,946,192
Recipient Government	Ministry of the Environment and Natural Resources (MARN)	Grants	4,578,289
Recipient Government	National Council on Protected Areas (CONAP)	In-kind	22,981,608
Recipient Government	National Council on Protected Areas (CONAP)	Grants	763,826
CSO	Asociación Sotz'il	In-kind	50,000
CSO	Asociación Sotz'il	Grants	450,000
Donor Agency	Fondo para la Conservación de Bosques Tropicales (FCA)	In-kind	500,000
Private Sector	Private Institute for Climate Change Research (ICC)	In-kind	183,231
Private Sector	Private Institute for Climate Change Research (ICC)	Grants	231,765
Private Sector	Guatemalan National Coffee Association (ANACAFE)	In-kind	2,630,118
CSO	Association of Private Natural Reserves of Guatemala (ARNPG)	In-kind	8,590,980
CSO	Association of Private Natural Reserves of Guatemala (ARNPG)	Grants	90,627
GEF Agency	UNDP	Grants	2,834,566
Total Co-financing			45,831,202

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a)} (b) ²	Total (c)=a+b
UNDP	GEF TF	Guatemala	Biodiversity	(select as applicable)	4,935,586	444,203	5,379,789
UNDP	GEF TF	Guatemala	Land Degradation	(select as applicable)	2,494,079	224,467	2,718,546
UNDP	GEF TF	Guatemala	SFM	SFM	3,714,832	334,334	4,049,166
Total Grant Resources					11,144,497	1,003,004	12,147,501

a) Refer to the Fee Policy for GEF Partner Agencies

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁵

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	52,045.5 hectares
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	229,831.87 hectares

F. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

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

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF⁶

A.1. *Project Description*. Elaborate on:

- 1) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed. NA
- 2) The baseline scenario or any associated baseline projects. NA
- 3) The proposed alternative scenario, GEF focal area⁷ strategies, with a brief description of expected outcomes and components of the project.

1. A description of the project's outputs and activities is included in Section III: Results and Partnerships of the GEF-UNDP project document.

4) Incremental/additional cost reasoning and expected contributions from the baseline, the GEF TF and co-financing.

2. 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, as per UNDP guidelines regarding Knowledge Management and M&E, a stand-alone Component 3 was included in the project results framework and also in the total budget and work plan. This component outlines the knowledge management strategy of the project focusing on the production of knowledge products, and the wider communication and dissemination of project lessons and experiences to support the replication and scaling-up of project results. In addition, minor changes were made to the project's outputs, 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 originally budgeted; these change can be observed in Section II: Strategy of the GEF-UNDP Project Document.

Baseline Scenario

⁵ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the GEF-6 Programming Directions, will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF, no need to respond, please enter "NA" after the respective question.

⁷ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which Aichi Target(s) the project will directly contribute to achieving..

3. Although important investments will be made under the “business as usual” scenario, these investments alone will not overcome the barriers that currently prevent mainstreaming biodiversity conservation and sustainable land management objectives into production landscapes of the Central Volcanic Mountain Range in Guatemala and the delivery of multiple global environmental benefits. The baseline programs include multiple investments that are planned for the 2018-2025 period.

4. Existing and planned investments for baseline programs and activities for the 2018-2025 time period are estimated at USD \$55,464,136. Baseline activities include a total of USD \$9,647,436 by CONAP for PA-related operations and investments. INAB will invest USD \$6,609,983 through the PINPEP and PROBOSQUE incentives programs (reforestation and natural forest management) and support to Municipal Forestry Offices and training in forestry management and control of forest fires. In addition, the MARN will invest USD \$7,380,720 to reduce land degradation and support sustainable agricultural practices. It will also make investments for the development of policies, strategies and programs and/or projects on climate change mitigation, including USD \$121,131 in the preparation of the National REDD+ strategy and USD \$852,000 for the Third National Communication on Climate Change (2018-2021), the latter with funds provided by the GEF. The MARN will also invest in the region USD \$152,611 in socio-environmental training and awareness-raising actions.

5. Other baseline investment include: a) Ministry of Agriculture and Livestock (MAGA): USD \$16,954,414 in agricultural and forestry training and extension services that will help reduce soil degradation, increase soil carbon stocks, and promote SLM; b) Helvetas Guatemala: USD \$556,359 to reduce threats to biodiversity and water resources and improve local governance of water resources management; c) National Coffee Association (ANACAFE): USD \$6,313,333 to support sustainable coffee production; d) Guatemalan Exporters Association (AGEXPORT): USD \$4,000,000 to support rural value chains for sustainable products; e) CARE Foundation: USD \$166,779 for the conservation of biodiversity and restoration of connectivity of the Sierra María Tecún cloud forest; f) Guatemalan Institute of Tourism (INGUAT): USD \$2,526,910 for the conservation of forests and biodiversity outside and within protected areas through a Regional Community Tourism Maya Project; and g) the Tropical Agronomic Research and Teaching Center (CATIE): USD \$182,460 for the conservation and sustainable management of the natural ecosystems in the Acatenango-Fuego volcanic complex.

GEF Increment to Generate Global Benefits

6. Component 1: The alternative GEF scenario will facilitate an enabling environment to implement models of sustainable agriculture/forestry production and economic incentives derived from improved markets and ecosystem services. Incremental financing will be in the amount of \$10,907,860 USD; USD \$2,091,620 will be provided by the GEF and USD \$8,816,240 will be provided by co-financing sources. The GEF alternative will include investments from the MARN, CONAP, FCA, ICC ANACAFE, ARNPG, and UNDP. Investments will be directed to the design of models of sustainable agriculture and forestry production and economic incentives derived from improved markets and ecosystem services; project’s global environmental benefits will be delivered through Component 2.

7. Component 2: The alternative GEF scenario will deliver multiple environment benefits by connecting core protected areas within sustainably managed production landscapes in the Central Volcanic Mountain Range in Guatemala. The incremental financing expected for this component is USD \$42,092,126; USD \$7,909,617 will be provided by the GEF and USD \$34,182,509 will be provided by co-financing sources. The GEF alternative will include investments from the MARN, CONAP, Asociación Sotz’il, FCA, ICC ANACAFE, ARNPG, and UNDP.

8. Component 3: Knowledge management and M&E. The knowledge management strategy of the project is outlined in this component, which has a total cost of USD \$1,262,570, out of which GEF will provide USD \$ 612,570 and the cofinancing sources will provide USD \$650,000.

9. Project management costs amount to USD \$2,713,142, out of which GEF will provide USD \$530,690 and the co-financing sources will provide USD \$2,182,452. The GEF alternative has a total cost of USD \$112,439,835, 9.9% of which will be provided by GEF (excluding PPG funds).

5) [Global environmental benefits](#) (GEFTF):

10. The project’s global environmental benefits include:

- 78, 679 hectares (ha) of certified and non-certified agriculture/forest production systems.
- Key ecosystems that provide ecosystem services are conserved and used in a sustainable manner.
- Stable populations of indicator species (mammals, birds, amphibians, and plants) in forest/agricultural landscapes after seven years (project duration).
- Enhanced Biological corridors (52,045.5 ha) provide connectivity to forest remnants and contribute to the conservation to biological important areas of the Central Volcanic Mountain Range of Guatemala.
- Species of global importance benefited include: the horned guan (*Oreophaps derbianus*), the highland guan (*Penelopina nigra*), the quetzal (*Pharomachrus mocinno*), the pink-headed warbler (*Ergaticus versicolor*), the golden-cheeked warbler (*Dendroica chrysoparia*), the azure-rumped tanager (*Tangara cabanisi*), the Guatemalan fir (*Abies guatemalensis*), and species from the genera *Pinus* and *Quercus*.
- Improved management effectiveness for 5 regional level PAs (13,662.57 ha).
- Carbon sequestration: 73,076 tCO₂-eq in seven years (reforestation, restoration, and sustainable agroforestry and agricultural systems).
- Reduction in firewood consumption and GHG emissions: 32,662 tCO₂-e over a seven-year period.
- Six (6) sustainable land management plans (watershed management plans) for the middle and upper sections of 6 watersheds (229,831.87 ha) in the Pacific slope of Guatemala.
- Reduction by 19% (1,154 ha; 247,734.60 tCO₂-eq by project end) in deforestation in prioritized landscapes in Central Volcanic Mountain Range, including buffer zones of existing PAs.

6) Innovativeness, sustainability and potential for scaling up.

NA

A.2. *Child Project?* If this is a child project under a program, describe how the components contribute to the overall program impact.

No

A.3. Stakeholders. Identify key stakeholders and elaborate on how the key stakeholders engagement is incorporated in the preparation and implementation of the project. Do they include civil society organizations (yes ☒ /no ☐)? and indigenous peoples (yes ☒ /no ☐)? ⁸

11. The successful implementation of the project will largely depend on effective communication and coordination with the multiple project stakeholders and the implementation of mechanisms to ensure these stakeholders' participation. The key national stakeholders include MARN, CONAP, MAGA, INAB, ARNPG, among others. At the local level, the most relevant stakeholders are municipalities, municipal development councils (COMUDES), community development councils (COCODES), organizations of small farmers and producers, women groups, local communities, and indigenous peoples. Among the private sector, ANACAFE and FEDECOCAGUA will play an active role in the project. The project's Stakeholder Engagement and Communication Plan is included in Annex K of the GEF-UNDP Project Document and a list of people consulted during project development is included in Annex P of the GEF-UNDP Project Document.

A.4. Gender Equality and Women's Empowerment. Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men. In addition, 1) did the project conduct a gender analysis during project preparation (yes ☒ /no ☐)?; 2) did the project incorporate a gender responsive project results framework, including sex-disaggregated indicators (yes ☒ /no ☐)?; and 3) what is the share of women and men direct beneficiaries (women X%, men X%)? ⁹: Women: 48.9%; Men: 51.1%

12. According to the project objective and the proposed actions, it is categorized as *Gender responsive: results addressed differential needs of men or women and equitable distribution of benefits, resources, status and rights but do not address root causes of inequalities in their lives.*

⁸ As per the GEF-6 Corporate Results Framework in the GEF Programming Directions and GEF-6 Gender Core Indicators in the Gender Equality Action Plan, provide information on these specific indicators on stakeholders (including civil society organization and indigenous peoples) and gender.

⁹ Same as footnote 8 above.

13. The project will incorporate gender considerations into all phases of its life cycle. The project conducted a gender analysis during project preparation and developed a Gender Mainstreaming Plan to ensure gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring. The Gender Mainstreaming Plan is included as Annex M of the GEF-UNDP Project Document.

A.5 Risk. Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation (table format acceptable):

14. Project risks were updated based on the results of the social and environmental safeguards assessment (SESP). The updated risk are included in Annex H: UNDP Risk Log of the GEF-UNDP Project Document.

A.6. Institutional Arrangement and Coordination. Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

15. Institutional arrangements are described in Section VII: Governance and Management Arrangements of the GEF-UNDP Project Document.

16. In addition to coordination with other relevant GEF-financed projects and other initiatives identified at the PIF stage, the project will cooperate with the following GIZ-funded projects in Guatemala. The Adaptation Project for Rural Development to Climate Change - ADAPTATE II, will contribute to reducing the vulnerability of the population and ecosystems to climate change in the Dry Corridor through the management of environmental goods and services. The ADAPTATE II initiative is being implemented between January 2016 to December 2018; the main areas of cooperation identified are the exchange of information on best agricultural practices for organic coffee production, adaptation strategies to climate change for the strengthening of value chains, and lessons learned from a gender approach in value chains.

17. The Central America for Central America Coffee rust integral management programme (PROCACIGA) to be financed by the European Union, will address climate change and its environmental effects through the adoption and application of measures for adaptation, mitigation, and reduction of disaster risk. Actions will include introducing environmental sustainable agroforestry farming practices and diversified cropping patterns, which in addition will provide biodiversity conservation and ecosystem services benefits. The PROCACIGA program has not yet begun operating in Guatemala, the project implementation team will maintain communication with the GIZ in Guatemala to establish synergies between the two projects in these areas, as well as in economic aspects and strengthening local producers' organizations, once both initiatives begin implementation.

Additional Information not well elaborated at PIF Stage:

A.7 Benefits. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

18. The project will ensure the direct, free, and equal participation of all national, subnational, and local stakeholders in the planning and implementation of measures to mainstream biodiversity conservation and sustainable land management objectives into production landscapes of the Central Volcanic Mountain Range in Guatemala, contributing to the welfare of local populations and the delivery of multiple global environmental benefits. At the local level, the project will provide monetary and non-monetary benefits equally to the local stakeholders independently of their condition, which will result in the following: a) increase in income of small farmers and producers, including women and indigenous people, resulting from the implementation of sustainable agriculture/forestry production practices and use of economic incentives (e.g., price premiums through environmental certification, forestry-related cash payments, and sale of carbon credits) to promote sustainable production and forest conservation; b) access to markets for sustainable products of small farmers and producers; c) improved access to plant material for the implementation of agroforestry and silvopastoral systems, and soil stabilization through municipal or community nurseries; d) improved cooking, heating, and health conditions of local families through the use of energy-efficient stoves, which will reduced firewood consumption and GHG emissions; e) empowerment of local communities through

their direct participation in the development of management plans for five MRPs, the development of SLM plans for six watersheds, and a monitoring program to assess biodiversity conservation, SFM, and SLM benefits; and f) improve income for municipalities implementing PWS schemes and other financing mechanisms that will contribute to the financial sustainability of MRPs allowing them to improve protected area management and the delivery of ecosystem services, including drinking water for rural and urban communities.

19. In addition the project will train local community members, including indigenous peoples, and women's groups, and municipal officials, PA staff, environmental, forestry, and agricultural officials so that they become the principal facilitators and decision makers for the conservation of biodiversity, SFM, SLM in their region. The training program will benefit over 3,000 people, including 2,780 local community members (1,781 men and 999 women).

20. Through the conservation and sustainable use of locally and globally important ecosystems (e.g., pine-oak forests, cloud forest, tropical moist forest) and reduced deforestation, the services these ecosystems provide (maintenance of soil quality, control of erosion, food and forest materials production, regulation of water regimes, carbon storage, climate regulation, and habitat for biodiversity) will be improved with a positive impact on the well-being of the communities that reside in the prioritized production landscapes of the Central Volcanic Mountain Range of Guatemala. Finally, the project will provide lessons learned, and generate knowledge that will be used for replication and scaling-up of projects results benefiting farmers and producers, PA managers, municipal officer, among others, in other regions of the country.

A.8 Knowledge Management. Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

21. Project Component 4: Knowledge management and M&E outlines the knowledge management strategy for the project. This strategy includes specific outputs regarding how best practices will be documented and experiences will be shared with other biodiversity, land degradation, and SFM projects using existing information-exchange platforms. This will include: a) the development of ten (10) media productions that document and disseminate the successful experiences regarding the mainstreaming of objectives of biodiversity conservation, SFM, and SLM in sustainable production landscapes and biological corridors; and b) a virtual knowledge platform for disseminating information about the project. In addition, the results from the project will be disseminated within and beyond the project intervention area through a number of existing information-sharing networks and forums. A description of the knowledge management approach for the project is provided in Section III: Results and Partnerships of the GEF-UNDP Project Document.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Consistency with National Priorities. Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.:


NA

C. DESCRIBE THE BUDGETED M & E PLAN: The budgeted M&E plan is included in Section VI: Monitoring and Evaluation (M&E) Plan of the GEF-UNDP Project Document

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies¹⁰ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adriana Dinu - UNDP GEF Executive Coordinator		10/04/2017	Santiago Carrizosa, Senior Technical Advisor, EBD	+507 302- 4510	santiago.carrizosa@undp.org

¹⁰ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT
GEF6 CEO Endorsement /Approval Template-August2016

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).

Please refer to Section V. Project Results Framework of the GEF-UNDP Project Document

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 in CEO Endorsement Document
Secretariat Comment at CEO Endorsement (FSP)/Approval (MSP): July 29, 2015		
<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p> <p>When presenting final project design at CEO Endorsement, please include an explanation on how the results gleaned from applying the guiding questions identified by STAP are incorporated into project design.</p>	<p>The project design team considered all the recommendations suggested by STAP, including the following:</p> <ol style="list-style-type: none"> 1. Providing a more detailed description of the social and economic aspects of the project's prioritized landscape. This information is included as <i>Annex O: Target Landscape Profile</i>, of the GEF-UNDP Project Document. 2. The completion of a detailed stakeholder analysis that was used to develop the Stakeholder Engagement and Communication Plan, and included as <i>Annex K</i> of the GEF-UNDP Project Document. This was also considered in the development of the project's Gender Mainstreaming Plan, which is included as <i>Annex M</i> of the GEF-UNDP Project Document. 3. Providing more detailed information as to how climate change predictions for Guatemala (using the year 2000 as the baseline) may affect the project, including forest ecosystems and their services as well as agriculture and land management approaches. This information is included as part of the risk assessment of the project. 4. Detailing the type of governance arrangement that is being considered for the carbon sequestration market. In this regard, the project will work primarily with individual farmers/producers or groups of farmers/producers. Although the project will not consider communal or common property forests as part of the carbon sequestration program, the governance arrangement will be considered part of voluntary conservation agreements that allow the implementation of carbon sequestration initiatives. 5. The viability of a carbon market was also considered in the design of the carbon sequestration program. This is included as part of the description of such a program, which will be implemented through Output 1.5. 6. An analysis of the market for certified products was also considered, particularly considering economies of scale by working with groups rather than individuals; 16 organized groups of producers (coffee, vegetables, and non-timber forest products) were identified. This approach is expected to reduce production and transaction costs, establish strategic commercial alliances between producers' groups and buyers, and negotiate more attractive prices, among other benefits. These elements are the description of the certified and non-certified agricultural/non-timber forest systems to be implemented by the project (Outputs 1.1, 1.2, 1.3, and 1.4). 7. Regarding adopting the RAPTA Framework for establishing baselines (social, economic, and biophysical) and identifying impact indicators, the project team and project partners would like to thank STAP for the suggestion, although it was not adopted. <p>Specific information on all comments suggested by STAP is included below as part of the responses to the reviewer's</p>	<p>Refer to responses to STAP comments</p>

	comments.	
<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?</p> <p>By the time of submitting the CEO Endorsement please consider a wider range of potential indicators to assess biodiversity condition in the project sites.</p>	<p>The project considers the following indicator to assess the biodiversity condition in the project sites:</p> <ol style="list-style-type: none"> 1. 52,045.5 ha of corridors that establish connectivity between agricultural/forest production systems and protected areas. 2. Presence of key species in production landscapes, conservation forests, and PAs by the end of the project: <p><u>Birds:</u></p> <ul style="list-style-type: none"> – <i>Cardellina versicolor</i> – <i>Oreophasis derbianus</i> – <i>Pharomachrus mocinno</i> – <i>Penelopina nigra</i> – <i>Tangara cabanisi</i> – <i>Setophaga chrysoparia</i> – <i>Aulacorhynchus prasinus</i> – <i>Pteroglossus torquatus</i> <p><u>Amphibians:</u></p> <ul style="list-style-type: none"> – <i>Plectrohyla guatemalensis</i> – <i>Agalychnis moreletii</i> <p><u>Mammals:</u></p> <ul style="list-style-type: none"> – <i>Microtus guatemalensis</i> – <i>Sturnira hondurensis</i> 	Annex A: Project Results Framework
STAP Scientific and Technical screening of the Project Identification Form (PIF): March 19, 2016		
<p>1. The PIF provides a clear justification for the selection of the target regions, based on four factors (page 10), which are linked to people's dependence on ecosystem services. In order to have a complete picture of the interactions between social, economic and biophysical features, STAP recommends detailing further the social and economic aspects in each site. This information seems absent in the PIF.</p>	<p>The project will be implemented in a prioritized landscape with a total area of 3,897 square kilometers (km²) located within the Central Volcanic Mountain Range, and in areas of importance for biological connectivity that have been prioritized by the Government of Guatemala. A detailed description of this landscape is included as <i>Annex O: Target Landscape Profile</i> of the GEF-UNDP Project Document, which includes detailed descriptions of the social and economic aspects of this landscape.</p>	GEF-UNDP Project Document: Annex O: Target Landscape Profile of the
<p>2. STAP suggests conducting a stakeholder analysis, to identify the appropriate individuals to include, and how, at the appropriate times during the project design and implementation. Defining a multi-stakeholder engagement plan, that also details the governance arrangement in each site will be important, given the diverse needs and governance type (e.g. communal forest versus government forest) present in the project sites. The project should also specify how</p>	<p>A stakeholder analysis was conducted during the final project design that served as the basis for defining a detailed multi-stakeholder engagement plan; this plan is included as <i>Annex K: Stakeholder Engagement and Communication Plan</i> of the GEF-UNDP Project Document. The plan groups stakeholders according to their type (e.g., government, private sector, civil society) and provides information on the overall role of each stakeholder in the project and the specific actions in which they will participate.</p> <p>The stakeholder analysis also served as the basis for the development of the Gender Mainstreaming Plan, which is included as <i>Annex M</i> of the GEF-UNDP Project Document.</p>	GEF-UNDP Project Document: Annex K: Stakeholder Engagement and Communication Plan; Annex M: Gender Analysis and Project Gender Mainstreaming Plan

the different roles of the stakeholders will combine to achieve the project objective.		
<p>3. STAP is pleased to see a description of the climate change predictions for Guatemala, and how the country might be affected by changes in temperature. In the project document, STAP recommends detailing further the climate information by defining a baseline year for the climate changes (2050 is given as the projection year). Furthermore, it will be important to describe in greater detail how households, or communities, have dealt with previous, or present, shocks and stresses due to climate (or other factors) that might affect the viability of the project. In particular, STAP suggests detailing how climate change might affect ecosystems and its services, as well as agriculture and land management approaches. It also would be useful to detail how integration between biodiversity conservation, sustainable forest and land management would be required.</p>	<p>Guatemala has developed two climate change scenarios; the first was developed by the National Institute of Seismology, Volcanology, Meteorology and Hydrology, and the second was prepared by the University of Nebraska at Lincoln. Both were developed using the year 2000 as the baseline, and include projections to the year 2050. These projections indicate that the average temperature will continue to increase, with expected increases of between 2.5 degrees Celsius (°C) and 4.1°C. With respect to total annual precipitation, it is expected that beginning in the 2030s there will be a tendency for reduction, and by the 2050s these reductions will be on the order of 9.5% to 12.4% over the baseline. The region of the Central Volcanic Mountain Range is among the regions in the country where these changes will be smaller.</p> <p>Projected climate changes suggest a shift in life zones that will affect their associated ecosystems and biodiversity. By 2050, climate conditions are expected to favor the expansion of dry and very dry forests, which currently cover about 20% of the country; by the 2050s and 2080s, the expansion of these conditions could rise to 40% and 65%, respectively. In contrast, there will be a decrease in humid, very humid and rainy forests, which currently cover almost 80% of the country, including the Central Volcanic Mountain Range. It is projected that by the 2050s and 2080s this coverage would be reduced to 60% and less than 35%, respectively. Shifts could also be observed along altitudinal gradients affecting the associations of pine and oaks forests in the region, including those within PAs.</p> <p>The changes mentioned above may result in less water availability for local communities who depend on these forests for a stable supply of water for human consumption and for crop irrigation. Small farmers and producers may be among the most highly impacted by these changes. For example, assessments conducted in the driest regions of the country indicate that some farmers may lose up to 55% of their production of basic grains in times of drought. Although the small farmers and producers in the prioritized landscape of the project may not be affected as severely, they may face a more erratic and unpredictable precipitation distribution, with drought episodes and high precipitation in the same year.</p> <p>The integration between biodiversity conservation, sustainable forest SFM, and SLM will reduce the vulnerability of ecosystems, biodiversity, and local communities to climate change. The implementation of complementary activities in the prioritized areas will promote connectivity between core protected PAs within sustainably managed production landscapes, thereby improving the resilience of biodiversity to climate change through enhanced habitats that provide more stable resources to species, increase their mobility, and provide refuge against temperature changes and shifts in forest distribution. The implementation of SFM and SLM will result in more stable and resilient forests (for example, diversity of age groups and improved resilience for regeneration), which will</p>	<p>GEF-UNDP Project Document. Annex H: UNDP Risk Log</p>

	<p>result in the protection of soils and regulation of water cycles. This in turn will create more stable micro-climatic conditions and a steadier flow of ecosystem services, benefiting the associated forest species and leading to reduced vulnerability of small farmers and producers and urban populations to climate variability.</p>	
<p>4. In component 1, STAP suggests detailing the type of governance arrangement (e.g. communal forest) that is being considered for the carbon sequestration market. Forest governance is important to consider in carbon markets, as trade-offs might exist between generating social-ecological benefits that further strengthen communal forest management and those benefits that primarily strengthen market efficiency. UNPD could refer to the following paper for further information on the impact of carbon markets on forest governance: Osbourne, T. <i>"Tradeoffs in carbon commodification: A political ecology of common property forest governance"</i>. 2015. Geoforum. Volume 67, pages 64-77.</p>	<p>The proposed governance scheme for forest carbon project management is framed within Article 12 of Guatemala's Framework Law on Climate Change, which establishes that only landowners comprising individuals, legal persons, municipalities, communities, or others, may apply for the benefits derived from carbon sequestration projects if land ownership by individuals, legal persons, municipalities, and communities is demonstrated. The project will work primarily with individual farmers/producers or groups of farmers/producers; communal or common property forests are not being considered as part of the carbon sequestration program.</p> <p>The Project Team (i.e., Project Coordinator and staff from the Project Coordination Unit) with the support of the MARN will serve as the facilitator for the development of the carbon sequestration certification and verification program. The Project Team will establish voluntary agreements for the implementation of landscape management tools (LMTs; e.g., micro-corridors, forest enrichment, live fences, and windbreaks) with each individual beneficiary or groups of beneficiaries of the carbon initiatives. These agreements will allow individuals or groups of farmers and producers to assume ownership of the carbon sequestration process and receive the benefits, provided that they comply with the technical requirements for measurement, calculation, and monitoring of carbon, which will be certified by the Colombian Institute of Technical Standards (ICONTEC). The voluntary agreements will allow individuals or groups of farmers to manage the forests within their land according to the terms they define for reducing potential tradeoffs</p>	<p>GEF-UNDP Project Document: Section III. Results and Partnerships</p>
<p>5. STAP suggests that the project developers give careful consideration to the viability in the carbon market (and to other payment for ecosystem services they opt to use) by considering the scale of the intervention, the market stability and transaction costs to ensure there will be sufficient demand at the price necessary to create an effective incentive.</p>	<p>A carbon sequestration certification and verification program will be developed following the CDM AMS0007 – A/R Small-scale Methodology. This program was conceived in such a way that the risks of market price variations and the transaction costs are reduced. In order to promote the reforestation and rehabilitation of degraded lands and the implementation of LMT, which will be the basis for the implementation of carbon sequestration projects, the existing forest incentive programs in the country (PINPEP and PROBOSQUES) will be utilized. These programs will contribute to financing the initial implementation and maintenance activities of the carbon sequestration program until the carbon removals are certified and credits are sold in the carbon market.</p> <p>The scale of the project and the potential for the generation of emissions reduction certificates were also considered. As such, the proposed transaction costs of the carbon project are reduced. The implementation of the carbon sequestration certification and verification program includes the definition of the project's conservation and connectivity strategy, which includes the identification of the specific areas of intervention (up to 4,500 ha) in the prioritized areas of connectivity of the biological corridor of the Central Volcanic Mountain Range; this will be done following the standards of the Framework Law on Climate</p>	<p>GEF-UNDP Project Document: Section III. Results and Partnerships</p>

	<p>Change (Decree 7-2013) that guides the national carbon market. In addition, rather than creating a national voluntary carbon market, the project will support existing initiatives in the country. In particular, the project will support the REDUZCO2 platform, which is a voluntary mechanism for greenhouse gas (GHG) emission reduction. The project will make use of this platform for the exchange of carbon certificates, which will facilitate the sale of carbon credits and grant more control over price variations. The project will contact national companies that produce electricity using fossil fuels, who, according to the Framework Law on Climate Change, have an obligation to offset their emissions. These companies are considered to be the potential buyers of the emissions reduction certificates generated by the project. With the development of these activities, governance of the carbon sequestration initiatives and promotion and marketing of carbon credits generated will be ensured under favorable market conditions.</p>	
<p>6. STAP suggests that the project developers undertake a similar analysis of the market for certified produceâ€ scale of the market, prices as supply increases, transaction costs and requirements to access the market.</p> <p>Additionally, STAP recommends that UNDP considers its key messages on developing sustainable certification projects detailed in "Environmental Certification and the Global Environment Facility": http://www.stapgef.org/environmental-certification-and-the-global-environment-facility/</p>	<p>A market analysis for certified products was conducted considering economies of scale by working with groups rather than individuals; 16 organized groups of producers (coffee, vegetables, and non-timber forest products) were identified. These groups will offer volumes of products for the supply of national and international markets with the capacities to negotiate fixed and attractive pricing, and reduced transaction costs (e.g., production costs).</p> <p>In order to have more stable access to markets and long-term relationships with buyers of biodiversity-friendly products, the project will establish synergies with the institutional mechanisms for market access of the following groups: 1) in the case of coffee, the Guatemalan National Coffee Association (ANACAFE) and the Federation of Coffee Producers' Agricultural Cooperatives of Guatemala (FEDECOCAGUA); and 2) in the case of non-timber forest products, the Association of Private Natural Reserves of Guatemala (ARNPG). This favors the feasibility of establishing strategic commercial alliances between producers' groups and buyers, and ensures their sustainability. These partnerships will also be useful for producers to acquire agricultural inputs and services (e.g., coffee plantation renovation, basic infrastructure for wet benefits of coffee, field technicians for technical assistance, etc.) in exchange for improving and maintaining the implementation of best production practices and post-harvest practices as stipulated in the standards of the certifications. In addition, these strategies will reduce the incidence of intermediaries within certified value chains, establish medium- and long-term price agreements, reduce costs, secure stable volumes of products for the market, strengthen ownership of the producers' groups of their sustainable agricultural systems, and provide buyers with products that meet the quality standards demanded by the market.</p> <p>The approach to facilitating market access within the project is based on the adoption of best practices both during production and post-harvest. This will ensure that the products are derived from an environmentally sustainable process and have the level of quality that meets the standardized requirements. In addition, an economic analysis of prices of certified and non-certified products was performed that yielded positive profitability data that was above the "break-even" point of production for products</p>	<p>GEF-UNDP Project Document: Section III. Results and Partnerships</p>

	with certified best practices. In the case of non-certified products, there were high transaction costs and yields that were below the equilibrium point of production.	
7. The Resilience, Adaptation Pathways and Transformation Assessment (RAPTA) Framework (to which UNDP contributed) would be useful in identifying adaptive management strategies that contribute to the sustainability and resilience of the central volcanic chain in Guatemala. RAPTA can be used for project design, helping to establish baselines (social, economic and biophysical) and to identify impact indicators that assess the resilience and sustainability of the proposed integrated activities with diverse stakeholders. The RAPTA guidelines can be found at: www.stapgef.org or by contacting the STAP Secretary, Thomas Hammond: Thomas.Hammond@unep.org	Thank you for your suggestion regarding the RAPTA Framework. Although the framework is applicable for assessing and managing the resilience of any social-ecological system, the project design team and project partners opted for establishing baselines (social, economic, and biophysical) and identifying impact indicators based on the information identified in the PIF and during the project preparation process with technical assistance from experts and local stakeholders.	NA
Comments submitted by council members on the GEF XX Work Program: Germany		
1. Since October 2013, the Climate Change Framework Legislation exists (Decreto 07-2013). Articles 15c and 15d together with Art. 17 determine the cooperation and responsibilities between the various government institutions. The full proposal should reflect the legal requirements set by the Framework Legislation and how the project contributes to its objectives.	There are several groups of coordination between the entities responsible for managing natural resources in Guatemala. One of these is the Interagency Coordination Group (IGC) for the Conservation and Sustainable Management of Natural Resources, which was established in June 2011 by the Ministry of the Environmental and Natural Resources (MARN), the Ministry of Agriculture, Livestock, and Nutrition (MAGA), the National Forest Institute (INAB), and the National Council on Protected Areas (CONAP), which has provided follow up the REDD+ process in the country. A second group of coordination is the Forest and Land Use Interinstitutional Monitoring Group (GIMBUT) formed by MARN, CONAP, INAB, MAGA, the National Geographic Institute (IGN), the Presidential Secretariat for Planning and Programs (SEGEPLAN), the University of El Valle in Guatemala (UVG), University of San Carlos in Guatemala (FAUSAC), and the Universidad Rafael Landívar (URL). This group monitors changes in land use in the country. The project will work to strengthen these groups in compliance with the Framework Law on Climate Change (Decree 7-2013). This will include activities to develop a participatory monitoring program to assess biodiversity conservation, SFM, and SLM, which includes the participation of the GIMBUT, as well as through project activities that include the participation of members of the IGC. All members of the IGC will be part of the Project Board.	GEF-UNDP Project Document: Section III. Results and Partnerships; Section VII. Governance and Management Arrangements

<p>2. As regards the Payment for Watershed Services, the full proposal should clearly identify how the water-users, communities and municipalities will structure their cooperation under Component 1. The proposal needs to specify clearly the flow of funds, the transparency and conditions of payments for services.</p> <p>The municipalities are obliged by municipal law (e.g. Articles 35a, 142, 143 of the Municipal Code, Decreto 12-2002) with certain tasks that affect directly the use and payment of water services. Germany strongly recommends that the full proposal seriously considers the existing legal regulations in order to establish a functioning and legally backed PWS.</p>	<p>Two Payment for Watershed Services (PWS) initiatives will be implemented through the project; one in the municipality of Concepción Chiquirichapa, department of Quetzaltenango, and the second in the municipality of Esquipulas Palo Gordo, department of San Marcos. In both cases, the PWS projects will be developed in the Municipal Regional Park (MRP) of each municipality with the objective of conserving and protecting natural resources, specifically the protection of water resources and forests within PAs and watersheds that provide water for human consumption, irrigation, and for commercial purposes.</p> <p>The parties participating in the PWS schemes are the following:</p> <ul style="list-style-type: none"> • <u>The water users</u>: The local population, represented by the water users' committee of the urban centers of municipality of Concepción Chiquirichapa and the municipality of Esquipulas Palo Gordo, and residents of rural area outside the PA who receive water captured through the MRP for domestic use and agricultural activities. • <u>The water providers</u>: The municipality of Concepción Chiquirichapa and the municipality of Esquipulas Palo Gordo MRPs, who are owners of the MRPs that supply the water resources, and responsible for managing the MRPs. • <u>Technical support</u>: INAB, CONAP, Helvetas Guatemala, and the full-size project team will support the formation of the water users' committee and provide technical support and training for implementing the PWS scheme, as well as the development of tools necessary for the operation and expansion of the PWS system through awareness-raising campaigns. <p>In addition, Municipal Council Agreements will be established in which the importance of conserving water sources is recognized and a PWS is endorsed as the mechanism to support the conservation and management of water and forest resources in each municipality. The Municipal Council Agreements will also define the financial mechanism designed to manage the funds for the compensation scheme. Two options will be considered: Under the first option, funds will be received by each municipality as part of water bills and will be included in the municipal budget through the creation of a specific budget item in the Annual Work Plans. These funds will be used exclusively to receive payments from the PWS and will be invested in water and forest protection and conservation within the MRPs. The second option will include the creation of a specific municipal fund for water service compensation that is separate from the municipal budget, based on a municipal ordinance (the abovementioned Municipal Council Agreement), and to which the payments received from the PWS will be allocated and used for water and forest protection and conservation in the MRPs. The Municipal Financial Management Department (DAFIM) and the full-size team will evaluate the best option during the final design of the PWS schemes.</p> <p>The PWS initiatives will be implemented within the following legal framework: Article 613 of the Civil Code grants management and oversight of public water services to the</p>	<p>GEF-UNDP Project Document: Section III. Results and Partnerships</p>
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	<p>municipalities within their respective jurisdictions, with the exceptions of coastal areas, rivers, and navigable lakes. The Municipal Code (Decree 12-2002) gives the municipality and the Municipal Council oversight of the management and protection of renewable and non-renewable natural resources in the municipality (Articles 65 and 68). The Health Code (Decree 90-97) establishes that it is the Ministry of Public Health and Social Assistance's duty, in coordination with the sector's institutions, to oversee the protection, conservation, and rational use of potable water sources, and compels the municipalities of the countries, as the main providers of potable water service, to protect and conserve the water sources and ensure universal coverage within their jurisdictions in terms of quantity and quality of service. Guatemala currently does not have a legal framework at the national level that specifically regulates payments for environmental services (PES); however, recently the PROBOSQUE Law (Decree No. 2-2015) was enacted to grant authority to INAB to promote this class of compensation to environmental services providers and to offer technical support and training to those interested in implementing PES programs.</p>	
<p>3. Germany considers it important that the full proposal considers current projects and programs of other donor organisation and indicates areas of cooperation. GIZ for instance (Program ADÁPTATE II) is active in the project area (San Marcos, Quetzaltenango, Sololá) working together with ANACAFE and MAGA on aspects of organic coffee farming in the context of adaption to climate change. The EU regional Program PROCAGICA, implemented by GIZ, will also promote organic coffee farming in the region.</p>	<p>The project formulation team held a bilateral meeting with María Teresa Escamilla from GIZ-Guatemala to discuss areas of cooperation with the Adaptation Project for Rural Development to Climate Change – ADAPTATE II, which works in the protection of water, soils, and forests resources in selected watersheds that are vulnerable to climate change and where the project proposed herein will be implemented. The ADAPTATE II initiative is being implemented between January 2016 to December 2018; the main areas of cooperation identified are the exchange of information on best agricultural practices for organic coffee production, adaptation strategies to climate change for the strengthening of value chains, and lessons learned from a gender approach in value chains.</p> <p>The PROCAGICA program has not yet begun operating in Guatemala. This EU Program will support the regional and national efforts to control coffee leaf rust. The overall objective of the project is to address climate change and its environmental effects through the adoption and application of measures for adaptation, mitigation, and reduction of disaster risk. Actions will include introducing environmental sustainable agroforestry farming practices and diversified cropping patterns, which in addition will provide biodiversity conservation and ecosystem services benefits. The project implementation team will maintain communication with the GIZ in Guatemala to establish synergies between the two projects in these areas, as well as in economic aspects and strengthening local producers' organizations, once both initiatives begin implementation.</p>	<p>GEF-UNDP Project Document: Section III. Results and Partnerships</p>

4. Since the government has changed in January 2016, a confirmation of the allocation of funds by the new government should be sought, especially regarding the Ministry of Environment and Natural Resources (MARN) whose financial resources have been cut for 2016 and only serve to maintain operations.	Project cofinancing includes an allocation of USD \$6,524,481 by the MARN. The UNDP Country Office will monitor the co-financing contributions by the MARN during project implementation.	Part I: Project Information, C. Confirmed Sources of Co-Financing for the Project by Name and by Type
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ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹¹

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: 250,000			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF/CBIT Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Componente A	168,320	106,500	67,937
Componente B	20,420	11,300	9,120
Componente C	17,670	17,613	0
Componente D	28,670	18,500	4,500
Componente E	14,920	6,000	8,530
Total	250,000	159,913	90,087

¹¹ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to 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. Agencies should also report closing of PPG to Trustee in its Quarterly Report.

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

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

NA