



**The World Bank**

Forest Governance and Livelihoods Diversification in Guatemala (P167131)

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## Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

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Appraisal Stage | Date Prepared/Updated: 24-Jan-2020 | Report No: PIDISDSA27230

**BASIC INFORMATION****A. Basic Project Data**

Country Guatemala	Project ID P167131	Project Name Forest Governance and Livelihoods Diversification in Guatemala	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 27-Jan-2020	Estimated Board Date 31-Mar-2020	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Republic of Guatemala	Implementing Agency Instituto Nacional de Bosques (INAB)	

## Proposed Development Objective(s)

To strengthen forest governance and increase access to diversified livelihoods activities for forest-dependent communities in selected areas in Guatemala.

## Components

Strengthening Forest Governance

Increasing Diversification of Forest-Based Livelihoods

Communication and Outreach

Project Monitoring and Evaluation

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

Total Project Cost	11.80
Total Financing	11.80
of which IBRD/IDA	0.00
Financing Gap	0.00

**DETAILS****Non-World Bank Group Financing**

Trust Funds	11.80
Strategic Climate Fund Credit	10.40
Strategic Climate Fund Grant	1.40

## Environmental Assessment Category

B-Partial Assessment

Have the Safeguards oversight and clearance functions been transferred to the Practice Manager? (Will not be disclosed)

Yes

## Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

## Country Context

**B. Introduction and Context**

1. **Although Guatemala has maintained steady economic growth and low inflation in recent decades, the country struggles with persistent poverty and inequality across multiple dimensions.** Thanks to prudent macroeconomic management, Guatemala has been one of the strongest economic performers in Latin America in recent years, with a GDP growth rate of 3.0 percent since 2012 and 4.1 percent in 2015. The country's economy grew by 2.8 percent in 2017, 3.0 percent in 2018, and was expected to grow by 3.3 percent in 2019. However, Guatemala is the fifth poorest economy in per capita GDP in Latin America, and poverty increased from 55 percent (6.8 million people) in 2000 to 60 percent (9.6 million people) in 2014. Women are less likely than men to be employed (41.9 percent compared to 86.1 percent employment) and are more likely to be informally employed (74 percent vs. 69 percent for men). Land distribution is among the most unequal in the region, with small farmers holding 22 percent of agricultural land (92 percent of farms) while commercial producers hold 57 percent of agricultural land (2 percent of farms). According to the 2018 census, Indigenous people (of Maya or Xinca descent) make up around 44 percent of Guatemala's population, and 80 percent live in poverty compared to 47 percent of the non-Indigenous population.

2. **Guatemala faces numerous challenges in achieving broad-based prosperity. It is one of the top five countries most affected by natural disasters, and climate change is predicted to increase the frequency of extreme weather events and reduce crop yields in much of the country.** Guatemalans have increasingly emigrated to the United States in recent decades, driven by lack of employment, impacts of tropical storms, crime



and violence connected to gangs, and the spread of the coffee rust fungus affecting 70 percent of Guatemala's coffee crop. The country also faces many environmental threats: over 90 percent of surface water is contaminated; only 35 percent of solid waste is disposed in sanitary landfills; and forests are being lost at a rate of 32,000 hectares per year.

#### Sectoral and Institutional Context

3. **With a diverse topography and tropical climate, Guatemala is richly endowed with diverse forests and ecosystems.** Forests provide a wide range of economic benefits and ecosystem services with tremendous socio-economic, cultural and environmental value, yet contribute only modestly to the formal economy. In 2017, forestry contributed an estimated 0.6 percent of Guatemala's GDP. In 2010, the forest products with the most economic value included furniture (30 percent), timber (24 percent), fuelwood (18 percent), rubber/latex (11 percent), and seeds/oil fruits (7 percent). Forests also contribute goods and services to rural livelihoods that are not reflected in GDP, such as land for subsistence agriculture, medicinal plants, fuelwood, seeds, game, and clean water and often hold significant spiritual and cultural value. High overlaps among forests and watersheds can offer opportunities to generate ecosystem services (e.g. water and carbon) through compensation mechanisms.

4. **The administration of forests in Guatemala is shared between two national institutions,** focused on forests located within and outside of protected areas. The Protected Areas Law in 1989 established the Guatemalan System of Protected Areas (SIGAP) and the National Council of Protected Areas (CONAP). CONAP is the national institution responsible for managing SIGAP, comprising 52 percent of Guatemala's forests. For forests outside of protected areas, the 1996 Forest Law established the National Forest Institute (INAB), which administers several programs that have invested around US\$400 million into forestry production and forest conservation activities.

5. **Forests in Guatemala are experiencing rapid loss and degradation.** From 2001 to 2016, forests in Guatemala were lost at an average rate of 32,000 hectares (1 percent) per year, with over two-thirds occurring in the northern lowlands of Petén and northern Quiché and Alta Verapaz. Forests are mainly converted for livestock pasture (35 percent); cultivation of staple crops (31 percent); coffee, cardamom, and rubber plantations (24 percent); oil palm (4 percent); and infrastructure or urban expansion (4 percent). An additional 12,500 hectares of forests are degraded per year, mainly from unsustainable fuelwood harvest, illegal logging, land grabbing in protected areas, and fires to prepare areas for agriculture and livestock.

#### C. Proposed Development Objective(s)

##### Development Objective(s) (From PAD)

6. To strengthen forest governance and increase access to diversified livelihoods activities for forest-dependent communities in selected areas in Guatemala.

##### Key Results

7. The following key results will be used to monitor the success of the proposed project:

- (a) Improved level of forest governance in selected areas and institutions (increase in the simple average score on FAO/PROFOR forests governance assessment) (number)
- (b) Area under improved forest governance practices (hectares)
- (c) People in targeted forest and adjacent communities with increased monetary or non-monetary benefits from diversified livelihoods (Number), (disaggregated by gender and Indigenous origin)

**D. Project Description**

8. To support and scale-up implementation of existing strategies, Guatemala has developed an investment plan through the Forest Investment Program (FIP). The FIP is a funding window of the Climate Investment Funds that supports developing countries' efforts to reduce deforestation and forest degradation and implement sustainable forest management.

9. The Project will fund complementary and mutually-reinforcing components to strengthen forest governance and increase access to diversified livelihoods and benefits for forest-dependent communities.

**Component 1: Strengthening Forest Governance (US\$4,039,730)**

10. This component seeks to strengthen capacity in forest governance in selected areas and institutions of Guatemala through three lines of intervention carried out in parallel: sub-component 1.1 will support designing and operationalizing strategies to improve forest governance; sub-component 1.2 will support improving monitoring and enforcement; and sub-component 1.3 will support strengthening and expanding multi-stakeholder participation in forest governance and strengthening cooperation models for forest governance.

**Component 2: Increasing Diversification of Forest-Based Livelihoods (US\$6,366,620)**

11. Two sub-components are proposed: sub-component 2.1 to develop and implement Mechanisms of Compensation for Environmental and Ecosystem Services Mechanisms (MCEESs) associated with forests and sub-component 2.2 will support the program for the diversification and strengthening of livelihoods for forest-dependent communities (through non-timber forest products, agroforestry, and sustainable tourism).

**Component 3: Communication and Outreach (US\$573,650)**

12. This component seeks to support development of a communications strategy and materials to disseminate information and results from the strategies described above. Furthermore, it will support the forestry education program developed in coordination with the Ministry of Education.

**Component 4: Project Monitoring and Evaluation (US\$820,000)**

13. The Project monitoring and evaluation will be the responsibility of the Project Implementing Unit and will consist of a mid-term progress report (at year 3) and a final monitoring report at the end of the program's investments. Annual work reports and monitoring will also be required throughout the project's duration.

**E. Implementation****Institutional and Implementation Arrangements**

14. The proposed project will be implemented over a five-year period by INAB as the public entity responsible for the forest sector. INAB will be responsible for the administration, coordination, and supervision of the Project by establishing a Project Implementation Unit (PIU). The PIU will be composed of a General Coordinator, a Financial Coordinator, and a Procurement Coordinator; these three functions will be assigned to INAB staff, who will directly report to INAB's management. The PIU will also have a technical coordinator; a procurement specialist; a financial specialist; an environmental specialist; a social specialist; a Monitoring and Evaluation (M&E) specialist; and a counsel.

15. The PIU will also include technical consultants to support implementation of the project's components. The list of consultants includes: a forest governance specialist; a consultant to strengthen municipal and communal forestry; and a specialist in livelihood diversification. A Technical Advisory Group (TAG) will be created to follow up on project implementation and will give recommendations to the PIU on pertinent topics. The TAG will include representatives of the following government institutions: Ministry of Environment and Natural



Resources (MARN), Ministry of Agriculture, Livestock, and Food (MAGA), CONAP, and INAB, as well as from the National Committee of the FIP Dedicated Grant Mechanism for Indigenous Peoples, and from the Inter-institutional Group for Land-Use and Forest Monitoring (GIMBUT). Strategic direction and guidance for the management and operation of the Project will be provided by a member of INAB's Board of Directors.

**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The Project intervention areas cover 47 municipalities that have been identified and prioritized to best meet the FIP program and institutional goals. These municipalities were selected through a study coordinated by INAB and supported and approved by the Inter-institutional Coordination Group (GCI) formed by INAB, CONAP, and MAGA. The analysis used approximately 30 criteria that weighted biophysical potential to reduce emissions (e.g. deforestation rates, forest cover, fire risk); potential to implement forest restoration, agroforestry systems, or sustainable fuelwood production; areas with high levels of poverty, inequality, communal lands, or coverage of protected areas; and whether the municipalities were already prioritized within existing institutional strategies, such as through forestry incentives, municipal forest management, or compensation mechanisms for environmental services. The Project includes areas with Indigenous Peoples (IPs): some states with up to 20% presence of IPs, some with around 2%.

**G. Borrower's Institutional Capacity for Safeguard Policies**

INAB will coordinate closely with CONAP, MARN and MAGA for the project implementation.

The Interinstitutional Coordination Group for Climate Change, composed of MARN, MAGA, INAB and CONAP, has in-house capacity to follow up with environmental and social considerations, including implementation of World Bank projects and safeguards policies. MARN, through its Environmental Impact Assessment unit, provided technical expertise for the development of the environmental safeguards instruments.

Since 2012, Guatemala has been building its National Safeguards Approach (NSA) that allows it not only to comply with the Reduction of Emissions from Deforestation and Forest Degradation (REDD+) Safeguards of the Convention, the Forest Carbon Partnership Facility (FCPF), and other national financial mechanisms, but also to contribute to the provisions of the Law on Climate Change and its article 3 on safeguards. Guatemala established in 2012 country level structures for REDD+ Social and Environmental Standards (SES) and fostered capacity building on this system throughout government levels and the multistakeholder National Social and Environmental Safeguards Commission. Capacity building workshops and meetings held since 2012 have been attended by representatives of the Government, social and environmental non-governmental organizations (NGOs), Indigenous Peoples, private sector, women and academia.

Since 2012, Guatemala, in collaboration with Inter-American Development Bank (IADB), produced a variety of safeguards documents during REDD+ Readiness and FIP design. These include the National Safeguards Approach Document, an analysis of policies and governance approaches and how these can be linked to REDD+ implementation, a Strategic Environmental and Social Assessment (SESA), an Environmental and Social Management Framework (ESMF), and a Grant Redress Mechanism (GRM) for the REDD Readiness. The SESA



includes a gap analysis, a legal analysis and recommendations for action, and was consulted with a wide variety of stakeholders (190 people in four regions).

#### H. Environmental and Social Safeguards Specialists on the Team

Dorothee Georg, Social Specialist

Andrew Francis Drumm, Environmental Specialist

#### SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project is classified as Category B given that the proposed project components are not likely to cause significant negative impacts on human populations and/or environmental areas. The project is rather likely to have positive impacts on forest conservation and the improvement of livelihoods. Both Project components will incorporate relevant safeguard principles and environmental health and safety (EHS) best practices (especially related to forestry and productive activities) into policies or practices and where applicable. Guatemala, together with IADB, carried out a full-scale Environmental and Social Assessment for the forest sector, as well as a Strategic Environmental and Social Assessment (SESA) for the National REDD+ Strategy. These were used as background documents for the elaboration of the World Bank safeguards documents and compliance with World Bank's safeguards requirements.</p> <p>Considering that specific project sites and project activities are not yet identified, an Environmental and Social Management Framework (ESMF) has been prepared and disclosed on the client's web site. The ESMF guides the preparation of site-specific safeguards instruments (such as Environmental and Social Management Plans, ESMPs) during project implementation and includes an exclusionary list, among others excluding Category A type investments and any investments which would lead to the involuntary taking of land. The ESMF includes</p>



a screening plan to identify, avoid and mitigate any potential negative environmental, health, safety, and social impacts associated with project activities. The ESMF also incorporates recommendations to include environmental, health and safety principles (EHS) in investments.

The ESMF considers potential negative impacts that might arise from sub-projects and provides alternatives or mitigation measures. It also identifies good practices for potential activities such as community forestry, sustainable management of forest landscapes, guidelines for sustainable exploitation of timber and non-timber products, productive reconversion, national and international certification, value chain development, access to markets, and certification processes, as well as for the preservation of critical natural habitats sustained by these forests, *inter alia*.

The ESMF also includes the Project's grievance redress mechanism (GRM) which will ensure agility, access, prompt response timeframes, and respect for confidentiality.

The ESMF was consulted in December 2018 with communities, civil society, indigenous peoples, and national steering communities in both the capital as well as in the foreseen project areas (5 consultations in total), to ensure communities' broad support to the Project. Feedback from these consultations was integrated. The ESMF was published on the WB and the Government's website's on January 20, 2020:  
<http://www.inab.gob.gt/pif/>.

Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy is not triggered as it is a government executed project.
Natural Habitats OP/BP 4.04	Yes	The project will not finance any activities that involve the significant conversion of natural habitats. This policy is triggered, however, given that some project activities will be implemented in natural habitats, including Protected Areas (as permitted by Articles 8 and 9 of the Forestry Law). Activities might support agroforestry, forest management, and conservation, and might (positively) impact on a number of environmental and ecosystem services



		that natural habitats provide. Activities within protected areas follow a strict environmentally-friendly land use plan approved by CONAP. The ESMF, therefore, addresses issues related to natural habitats and ecosystem services. Specifically, the ESMF introduces appropriate screening criteria to ensure that impacts on natural habitats are properly evaluated and will highlight that project activity or financing must not involve the significant conversion of natural habitats. The Project will not support the expansion of the agricultural frontier.
Forests OP/BP 4.36	Yes	This policy is triggered as the project will be implemented in forest lands. However, as the project promotes sound forest management practices, overall impacts are expected to be positive. The ESMF ensures that Project activities are consistent with the requirements of OP 4.36 regarding procedures for small-holder or community scale forestry. A screening mechanism is incorporated into the ESMF to ensure that any potential negative impacts on small scale forests and forest dwellers will be mitigated. Commercial forest plantations are not supported under the project. Further, all activities supported, including TA activities, will follow the principles of the general OP/BP and EHS Guidelines, and national policies.
Pest Management OP 4.09	Yes	The Pest Management policy is triggered as the Project might finance timber forest products, tree nurseries and other forestry activities which might imply the use of pesticides and fertilizers. Reforestation activities could also trigger this policy depending on the methods selected to manage pests. The project will not directly finance the use of pesticides, but will rather promote integrated pest management approaches. A Pest Management Framework was prepared as part of the ESMF which includes recommendations to strengthen legislation, establish a phytosanitary laboratory, provide training to strengthen pest management capacity and to monitor and control pests. It includes a list of pesticides prohibited in Guatemala and those that the Forestry Stewardship Council considers permissible under the right circumstances. The Plan will be in line with sound environmental and human



		health protection objectives and promotes the use of mechanical and biological alternatives as an alternative to the use of pesticides. In case needed, capacity building regarding the use of pesticides, proper disposal of pesticide receptacles, and personal protective equipment at the community level could be integrated into the project design. The Project will focus on forestry activities, the improvement of livelihoods, and sustainable land management practices. Even though investments and impacts are anticipated to be of small size, OP 4.11 is triggered on a precautionary basis. Sub-project screening and procedures for chance finds, including sacred sites, are incorporated into the ESMF and into the environmental screening section of the project's Operational Manual.
Physical Cultural Resources OP/BP 4.11	Yes	Indigenous communities that meet the criteria of OP/BP 4.10 are present within and around the project areas. An Indigenous Peoples Planning Framework (IPPF) was prepared and consulted during project preparation. The IPPF identifies the potential positive and negative impacts on IPs by the project (as known before appraisal) and provides recommendations on how to screen for them and avoid them, but also how to promote their participation in project benefits. It contains specific guidelines on culturally adequate consultations, as well as measures to ensure joint planning, capacity building and culturally-inclusive implementation of activities, promoting equally distributed benefits for the population, including women and youth. In addition, the IPPF establishes guidelines and criteria for the preparation of Indigenous Peoples Plans (IPPs), to be drafted when required and during implementation once concrete investments and project sites are known. The IPPs will be developed in line with Annex B of OP 4.10 and the IPPF, and will describe the specific actions, budgets, and indicators for each type of investment or activity, and will encourage inclusion of affected indigenous peoples and communities during their implementation. The IPPF was consulted in December 2018, in both the capital and each project area (5 consultations in total), in a culturally-sensitive manner, with the presence of affected IP communities and/or their
Indigenous Peoples OP/BP 4.10	Yes	



		representatives, to ensure communities' broad support to the Project. Feedback from these consultations was integrated into the IPPF. The IPPF was published on the WB and the Government's website's on January 20, 2020: <a href="http://www.inab.gob.gt/pif/">http://www.inab.gob.gt/pif/</a> .
Involuntary Resettlement OP/BP 4.12	Yes	The Project will not finance physical infrastructure and is not expected to cause physical displacement to formal or informal occupants. No involuntary land taking will be financed. However, the project might lead to a restriction of access to protected areas or communal forest lands due to the creation of new co-management arrangements within already existing protected areas or forestry communal lands, this could imply the establishment of new resource access rules and a restriction of access to natural resources in parks or protected areas. Decisions on the creation of co-management arrangements will be sought through the participation of communities, indigenous peoples, and municipalities. However, it could be that for some community members, these arrangements might be involuntary. Thus, OP 4.12 is triggered and a Process Framework (PF) was prepared. The PF outlines the procedures the client will follow during project implementation in order to define impacts covered under OP 4.12. Furthermore, the PF describes the process for resolving disputes relating to resource use restrictions that may arise between or among affected communities. The PF takes into consideration cultural knowledge and was consulted in December 2018 through participatory consultation processes in the 4 project areas and the capital (5 workshops in total). Feedback from the consultations was incorporated into the PF. The PF was published on the WB and the Government's website's on January 20, 2020: <a href="http://www.inab.gob.gt/pif/">http://www.inab.gob.gt/pif/</a> .
Safety of Dams OP/BP 4.37	No	The Project will neither support the construction or rehabilitation of dams nor will it support other investments that rely on services of existing dams.
Projects on International Waterways OP/BP 7.50	Yes	OP7.50 is triggered because activities to be carried out in 47 municipalities will be located in 11 international river basins in the Project area. The



		rivers shared with Belize are Sarstun, Mopan Belize, Hondo, Moho and Temash rivers. The rivers shared with México are Usamacinta, San Pedro, Salinas, Ixcan, Xacbal, Cuilco, and Selegun rivers. The Project will rely on water from the above-mentioned rivers which are considered international waterways as defined in paragraph 1 of the Policy. However, as the potential activities under the proposed Project are not likely to adversely affect the quantity or quality of the water flowing to other riparians and the Project will not be affected by other riparian's possible water use, a memorandum has been prepared seeking approval of the Exception to the Riparian Notification Requirements under the World Bank's Operational Policy regarding Projects on International Waterways (OP 7.50).
Projects in Disputed Areas OP/BP 7.60	No	The Project will not finance activities in disputed areas as defined in the policy.

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

This is a Category B project that triggers OP 4.01 Environmental Assessment, OP 4.04 Natural Habitats, OP 4.36 Forests, OP 4.09 Pest Management, OP 4.10 Indigenous Peoples, OP 4.11 Physical Cultural Resources and OP 4.12 Involuntary Resettlement and OP 7.50 Projects on International Waterways. However, regarding OP7.50, because project activities are not likely to adversely affect the quantity or quality of the water flowing to other riparians and the Project will not be affected by other riparian's possible water use, a memorandum has been prepared seeking approval of the Exception to the Riparian Notification Requirements. It is not expected that this project will have significant or irreversible harmful impacts. The overall Project safeguards risk rating is SUBSTANTIAL given the complexity of implementing this project in remote areas, risks of elite capture, the need to avoid involuntary restrictions to access natural resources, and medium governmental capacity to implement and manage safeguards and the GRM. The social context in Guatemala is sensitive resulting from legacy issues around land tenure and land grabbing, coupled with competing interests and demands of different landholders and individuals without land title, and illegal logging activities. To manage social risk, Guatemala will implement the FIP through a participatory approach and apply citizen engagement and beneficiary feedback mechanisms. This will help create timely feedback loops and ensure inclusion and active participation of beneficiaries from vulnerable groups in order to avoid any kind of discrimination. Furthermore, the social risks identified above will be mitigated through a Process Framework (PF) and an Indigenous Peoples Planning Framework (IPPF). Environmental risks are associated with governance and challenges in monitoring future sub-projects. Furthermore, there are risks of potential displacement of illegal forestry activities to other areas outside the scope of this project, deforestation through conversion to crops such as cacao and cardamom; increased use of pesticides, overexploitation of non-timber forest products, looting of pre-Colombian archaeological sites, and risks related to occupational and community health and



safety, waste management, natural habitats and inequitable distribution of project benefits leading to social conflict. These risks were accounted for in the respective safeguards instruments and compliance will be closely monitored during project implementation.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The indirect and long-term effects of the project are mostly positive since the goal of the project is to improve the environmental, social, and economic sustainability of forest activity in the country. Thus, the main risk of indirect impacts is related to the possibility that the mitigation measures planned are not effectively implemented.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

In the implementation phase, the selection of the sites where activities are expected will consider the available alternatives for the different interventions, based on the information provided by feasibility evaluation, and in consultation with the relevant stakeholders. The specific safeguard management instruments also require the PIU to identify and analyze alternative options that avoid and/or reduce affectations if potential adverse impacts were to be identified, with the goal of avoiding or minimizing the adverse impacts.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

To manage the potential environmental and social impacts and risks of the project, the Borrower prepared an integrated Environmental and Social Management Framework (ESMF), which was consulted with relevant stakeholders. The Borrower also prepared an Indigenous Peoples Planning Framework (IPPF) and a Process Framework (PF). Once the subprojects and their locations are defined, the Borrower will prepare the necessary assessments and instruments, which may include the following: Environmental and Social Impact Assessments (ESIAs) and/or Social Assessments (SAs), ESMPs, IPPs.

INAB has 'moderate' capacity for implementing safeguards, which was developed during Readiness, Emission Reduction Program, and FIP preparation and implementation, and will be further strengthened during FIP implementation. The FIP's budget includes the hiring of safeguards staff for the implementation of the FIP and the monitoring of environmental and social safeguards.

A major focus of the project is the institutional strengthening of national (INAB, SIGAP), regional (indigenous organizations) and local institutions (municipalities). The process of strengthening the environmental and social management capacity started by supporting the in-house staff of INAB in the process of preparing the environmental and social safeguard instruments to comply with Bank procedures, which will be complemented by the hiring and training additional social and environmental specialists, and by applying the procedures included in the project's ESMF, which include provisions for monitoring environmental and social sustainability. As part of the process of strengthening the environmental and social capacity of INAB, the Bank's supervision visits will also support the strengthening of the skills of the local staff, as part of the implementation of the project's social and environmental management frameworks, and the plans to be prepared during project execution.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Beneficiaries will include the regional governments and actors such as community groups, indigenous peoples, and small and medium-sized producers. Potential stakeholders also include private enterprises and NGOs that operate in the jurisdiction. A stakeholder analysis identified entities that represent local indigenous and non-indigenous actors directly involved in forest management, forest governance and forestry projects, such as community forestry networks (for example National Alliance of Community Forestry Organizations (ANOFC), Association of Forestry Communities of Peten (ACOFOP), the Federation of Agroecology and Agroforestry associations of Western Guatemala



(FEDERAFOGUA), PINPEP Beneficiary Network, the Community Rural Development Association Utz Ché, municipal offices that support forest administration and women's participation (for example Municipal Forestry Offices, Municipal Environmental Units, Municipal Women's Departments), regional or local organizations that influence the management of forest resources (for example the Laguna Lachúa Fundation (FUNDALACHUÁ), the Regional Association of CH'ORTI' Farmers (ASORECH), the Asociation of Cuchumatanes Organization (ASOCUCH)) and which are important for representing local indigenous and non-indigenous actors linked to forest management and forest governance; representatives of groups of women and young people who manage or influence the management of forest resources (for example the Association of Womern Farmers of the Eastern, AMCO), environmental NGOs (for example the Nature Defenders Foundation (FDN), and the Fundation for Integral Human and Environment Development (CALMECAC)), as well as universities and other academic centers (for example the Center for Conservationists Studies of the San Carlos University, CECON).

Given the importance of adequate stakeholder engagement for the success of the project, the team consulted the project and the safeguards instruments in December 2018, with supporting evidence included as an annex to each instrument. The consultation processes included workshops with representatives of the different groups of stakeholders and a period of virtual review of documents. Several workshops were held in Santa Cruz, Verapaz, Río Hondo, Quetzaltenango, Huehuetenango, and Sta. Elena. Stakeholders represented include government agencies, NGOs, academia, Afro-descendants organizations, indigenous leaders and women and youth groups and several sectors of the forestry industry. Overall there is support for the project and interest in participating. The detailed feedback can be found in the annexes of the safeguards instruments. The environmental and social safeguard instruments were disclosed by the borrower and the World Bank on January 20, 2020 <http://www.inab.gob.gt/pif/>. Physical versions of these instruments will be also made available at INAB's regional offices, and at municipalities, plus a note on their information boards announcing their public availability.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)****Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
11-Feb-2019	20-Jan-2020	

**"In country" Disclosure**

The ESMF was published on the WB and the Government's website's on January 20, 2020: <http://www.inab.gob.gt/pif/>

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
29-Nov-2019	20-Jan-2020

**"In country" Disclosure**



The RPF was published on the WB and the Government's website's on January 20, 2020: <http://www.inab.gob.gt/pif/>.

**Indigenous Peoples Development Plan/Framework**

Date of receipt by the Bank 29-Nov-2019	Date of submission for disclosure 20-Jan-2020
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**"In country" Disclosure**

The IPPF was published on the WB and the Government's website's on January 20, 2020:<http://www.inab.gob.gt/pif/>.

**Pest Management Plan**

Was the document disclosed prior to appraisal? Yes	Date of receipt by the Bank 29-Nov-2019	Date of submission for disclosure 17-Jan-2020
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**"In country" Disclosure**

Guatemala  
20-Jan-2020

**Comments**

The ESMF was published on the WB and the Government's website's on January 20, 2020:  
<http://www.inab.gob.gt/pif/>.

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)****OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

**OP 4.09 - Pest Management**

Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

Yes

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

Yes

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.10 - Indigenous Peoples**

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

N/A

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

Is physical displacement/relocation expected?



No

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

TBD

**OP/BP 4.36 - Forests**

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

**OP 7.50 - Projects on International Waterways**

Have the other riparians been notified of the project?

NA

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?

Yes

Has the RVP approved such an exception?

Yes

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes, January 20, 2020

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

**All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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**Borrower/Client/Recipient**

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**APPROVAL**

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**Approved By**

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