



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 11-Dec-2020 | Report No: PIDISDSA30851

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

Country Guatemala	Project ID P167132	Project Name FCPF Carbon Fund: Guatemala Emissions Reductions Program	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 14-Dec-2020	Estimated Board Date 25-Jan-2021	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Republic of Guatemala	Implementing Agency Ministry of Finance and Public Credit	

## Proposed Development Objective(s)

To make payments to the Program Entity for measured, reported and verified Emission Reductions (ER) from reduced deforestation and forest degradation, as well as the enhancement of forest carbon stocks (REDD+) in targeted areas of Guatemala, and to ensure that paid amounts are distributed according to an agreed Benefit Sharing Plan (BSP).

## Components

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

Total Project Cost	52.50
Total Financing	52.50
of which IBRD/IDA	0.00
Financing Gap	0.00

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

Trust Funds	52.50
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The Forest Carbon Partnership Facility – Carbon Fund	52.50
Environmental and Social Risk Classification	
Substantial	
Decision	
The review did authorize the team to appraise and negotiate	



### List of Acronyms

BSP	Benefit Sharing Plan
CONAP	National Protected Area Council ( <i>Consejo Nacional de Áreas Protegidas</i> )
COVID19	Coronavirus Disease 2019
CPF	Country Partnership Framework
E&S	Environmental and Social
ENDDBG	National REDD+ Strategy ( <i>Estrategia Nacional para el Abordaje de la Deforestación y la Degradación de Bosques en Guatemala</i> )
ER	Emission Reductions
ERPA	Emissions Reductions Payment Agreement
ERPD	Emissions Reductions Program Document
ESMF	Environmental and Social Management Framework
FCPF	Forest Carbon Partnership Facility
FGRM	Feedback Grievance Redress Mechanism
FREL	Forest Reference Emissions Level
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRS	Grievance Redress Mechanism (of the World Bank)
Ha	Hectare
ICG	Interinstitutional Coordination Group
INAB	National Forest Institute ( <i>Instituto Nacional Forestal</i> )
MARN	Ministry of Environment and Natural Resources ( <i>Ministerio de Ambiente y Recursos Naturales</i> )
MINFIN	Ministry of Public Finance ( <i>Ministerio de Finanzas Públicas</i> )
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
PINPEP	National Forest Incentive Program for Possessors of Small Extensions of Land Suitable for Forestry and Agroforestry ( <i>Programa de Incentivos Forestales para Poseedores de Pequeñas Extensiones de Tierras con Vocación Forestales y Agroforestal</i> )
PROBOSQUE	National Forest Incentive Program for the Establishment, Restoration, Management, Production, and Protection of Forests in Guatemala ( <i>Programa de Incentivos para el Establecimiento, Recuperación, Manejo, Producción, y Protección de Bosques en Guatemala</i> )
Program 31	Program for the Restoration, Protection, and Conservation of Protected Areas and Biological Diversity within the SIGAP ( <i>Programa para la Restauración, Protección, y Conservación de Áreas Protegidas y la Diversidad Biológica dentro del SIGAP</i> )
REDD+	Reduction of Emissions from Deforestation and forest Degradation
SIGAP	Guatemalan Protected Area System ( <i>Sistema de Áreas Protegidas de Guatemala</i> )
tCO <sub>2</sub> e	tons of Carbon Dioxide equivalent
US\$	United State Dollars
VCS	Voluntary Carbon Standard (of Verra organization)



## B. Introduction and Context

### Country Context

1. **Guatemala's prospects to create broad-based prosperity, reduce poverty, and protect its environment are threatened by numerous factors.** Guatemala is the fifth poorest economy in terms of per capita Gross Domestic Product (GDP) in Latin America and the Caribbean and has among the highest rates of social and economic exclusion in the region. GDP growth averaged 3.3 percent from 2015 to 2018, with real GDP per capita growth stagnating and falling slightly behind the average for Central America over the same period (3.48 percent). Poverty, inequality, and rurality are high and persistent. In 2019, it was estimated that 49.3 percent of the total population of 17 million lived under the USD\$5.5 PPP poverty line, up from 45 percent in 2000. One-fifth of the population earn incomes between US\$5.5 and US\$13 per day, meaning that 85 percent of the population is poor or vulnerable to falling into poverty in the event of a shock. Vulnerability is particularly high among the Indigenous Peoples. Income inequality is high, and the Gini coefficient was 0.48 in 2014. In 2017, it was estimated that 48 percent of the total population lived in rural areas, where poverty is significantly higher (76 percent) than in urban areas (42 percent).<sup>1</sup>

2. **On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a pandemic.** The authorities declared a state of emergency on March 5, 2020 and implemented strong containment measures. Economic activity is expected to contract by 3.5 percent in 2020, somewhat cushioned by a stable level of remittances but with severe implications for households and businesses. GDP growth in the first quarter of 2020 decelerated to 0.7 percent, down from 3.4 percent in the similar period of 2019. The emergence of COVID-19 is exacerbating existing risks and vulnerabilities, most notably among the most vulnerable segments of the population. In September 2020, the Government published the Plan for Guatemala's Economic Recovery, which builds on three strategic objectives to be achieved following the cross-cutting principles of health and safety, innovation, and sustainability: build more and better jobs; attract more strategic investment; and stimulate consumption of Guatemalan goods and services at the local, regional, and global level.

### Sectoral and Institutional Context

3. **Guatemala's forests resources are under significant threat of deforestation and forest degradation.** Forests cover 34 percent (3.7 million hectares -ha-) of the country's territory<sup>2</sup> and half are found within the Guatemalan Protected Area System (*Sistema Guatemalteco de Áreas Protegidas*, SIGAP).<sup>3</sup> The country's annual deforestation rate in the 2001-2016 period was one percent (or approximately 34,552 ha/year), with the main drivers being unsustainable forest use, livestock, and agriculture. Around 15,300 hectares were degraded annually, mainly due to unsustainable fuelwood harvesting (half of fuelwood is harvested from natural forests<sup>4</sup>), illegal logging, land grabbing in protected areas, and forest fires. In contrast, the reforestation rate was only 9,684 ha/year. 32 percent of deforestation occurred within

<sup>1</sup> Data from the latest available household survey (ENCOVI). Indigenous Peoples in Guatemala belong to three main communities, the Mayan, the Xinka, and the Garifuna. The Garifuna are a culturally distinct Afro-descendant group recognized as an "ethnic group" and they represent around 1 percent of the Guatemalan population.

<sup>2</sup> FCPF. 28 February 2019. Emission Reductions Program Document: Guatemala; and INAB-CONAP. 2015. Mapa Forestal por Tipo y Subtipo de Bosque, 2012. GUATEMALA. Technical Report. 26 pp.

<sup>3</sup> MARN, 2017. National Strategy for the Approach of Deforestation and Degradation of Forests in Guatemala.

<sup>4</sup> Instituto Nacional de Bosques (INAB). 2015. Estrategia Nacional de Producción Sostenible y Uso Eficiente de Leña 2013 - 2014. Serie Institucional ES-002(2015). Guatemala. pp. 43. <http://www.usaid-cncg.org/estrategia-nacional-de-produccion-sostenible-y-uso-eficiente-de-lena-2013-2024/>



protected areas<sup>5</sup>, of which from 30 to 60 percent are estimated to be driven by illicit activities.<sup>6</sup> Weak forest governance, low value of standing forests, and insufficient intersectoral policy coordination were identified as the underlying drivers of deforestation and forest degradation.

4. **Deforestation and forest degradation are responsible for a large share of the country's Greenhouse Gases (GHG) emissions.** Deforestation contributed around 40 percent to the country's total GHG emissions in 2005.<sup>7</sup> Guatemala's projection in the Nationally Determined Contributions<sup>8</sup> to the Paris Agreement suggests that GHG emissions could grow at a maximum rate of 0.9 million tons of Carbon Dioxide equivalent (tCO<sub>2</sub>e) per year, for a total of 54 million tCO<sub>2</sub>e in 2030. Guatemala committed to reduce such growth by 11 percent with domestic resources and by 22 percent with international support. This commitment assumes a significant reduction in GHG emissions from deforestation and forest degradation, which alone could grow at one percent annually in the business-as-usual scenario, considering the 2001-2016 period.<sup>9</sup>
5. **The administration of forests in Guatemala is shared between two national institutions,** focused on forests located within and outside of protected areas. The National Council of Protected Areas (*Consejo Nacional de Áreas Protegidas*, CONAP) is responsible for management and administration of the SIGAP.<sup>10</sup> The Protected Areas Law and other planning instruments allow for the collaborative implementation of forest models within the SIGAP. Currently, CONAP administers the Program for the Restoration, Protection, and Conservation of Protected Areas and Biological Diversity within the SIGAP (*Programa para la Restauración, Protección, y Conservación de Áreas Protegidas y la Diversidad Biológica dentro del SIGAP*, known as Program 31.)<sup>11</sup>. Forests outside the SIGAP are under the jurisdiction of the National Forest Institute (INAB), created in 1996, to manage the National Forest Incentive Program, which distributed approximately US\$260 million during the 1998-2015 period to 4.3 million beneficiaries.<sup>12</sup> Currently, INAB is administering the 2017-2045 Forest Incentive Program for the Promotion of the Establishment, Recovery, Restoration, Management, Production and Protection of Forests (*Programa de Incentivos para el Establecimiento, Recuperación, Manejo, Producción, y Protección de Bosques en Guatemala*, PROBOSQUE)<sup>13</sup> and the Forest Incentive Program for Holders of Small Areas Suitable for Forest and Agroforestry (*Programa de Incentivos Forestales para Poseedores de Pequeñas Extensiones de Tierras con Vocación Forestales y Agroforestal*, PINPEP.)<sup>14</sup>
6. **In this context, Guatemala developed a subnational Emission Reductions (ER) Program to operationalize**

<sup>5</sup> Government of Guatemala, 2019. Emission Reductions Program Document.

[https://www.forestcarbonpartnership.org/system/files/documents/Guatemala\\_ERPD\\_11\\_05\\_2019.pdf](https://www.forestcarbonpartnership.org/system/files/documents/Guatemala_ERPD_11_05_2019.pdf)

<sup>6</sup> Sesnie et al. 2017. A spatio-temporal análisis of forest loss related to cocaine trafficking in Central America.

<https://iopscience.iop.org/article/10.1088/1748-9326/aa6fff/pdf>

<sup>7</sup> Ministerio del Ambiente y Recursos Naturales, 2015. Segunda Comunicación Nacional sobre Cambio Climático.

<https://www.marn.gob.gt/Multimedios/2562.pdf>

<sup>8</sup> Government of Guatemala, 2015. Nationally Determined Contribution to the Paris Agreement of the UNFCCC.

<https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Guatemala%20First/Gobierno%20de%20Guatemala%20INDC-UNFCCC%20Sept%202015.pdf>

<sup>9</sup> Government of Guatemala, 2019, Emission Reductions Program Document.

[https://www.forestcarbonpartnership.org/system/files/documents/Guatemala\\_ERPD\\_11\\_05\\_2019.pdf](https://www.forestcarbonpartnership.org/system/files/documents/Guatemala_ERPD_11_05_2019.pdf)

<sup>10</sup> Protected Areas Decree Act (Decree 4-89)

<sup>11</sup> [https://sip.conap.gob.gt/wp-content/uploads/2020/05/Plan\\_Estrategico\\_Institucional.pdf](https://sip.conap.gob.gt/wp-content/uploads/2020/05/Plan_Estrategico_Institucional.pdf)

<sup>12</sup> <http://www.sifgua.org.gt/Pinfor.aspx>

<sup>13</sup> <http://portal.inab.gob.gt/index.php/component/content/article/112-servicios/182-probosque?Itemid=437>

<sup>14</sup> <http://portal.inab.gob.gt/index.php/component/content/article/112-servicios/183-pinpep?Itemid=437>



the country's National REDD+<sup>15</sup> Strategy (*Estrategia Nacional para el Abordaje de la Deforestación y la Degradación de Bosques en Guatemala, ENDDBG*). The ER Program approval process began in October 2014 with the Forest Carbon Partnership Facility (FCPF)'s acceptance of the country's ER Program Idea Note into its Carbon Fund pipeline<sup>16</sup> and the signing of a Letter of Intent between the Ministry of Public Finance (MINFIN) and the World Bank to develop an ER Program Document (ERPD)<sup>17</sup> and potentially sign an Emission Reductions Payment Agreement (ERPA) for the reduction of up to 10.5 million tCO<sub>2</sub>e in five years (2020-2025). The ER Program covers 92 percent<sup>18</sup> of the country's territory and seeks to reduce GHG emissions through the implementation of government forestry programs and three early REDD+ projects.<sup>19</sup> The Government of Guatemala elaborated a Benefit Sharing Plan (BSP) to distribute the potential results based ERPA proceeds among ER Program beneficiaries. MINFIN will represent the Republic of Guatemala (Program Entity), and INAB will be the ER Program Implementing Entity. The Inter-institutional Group (ICG) composed of INAB, CONAP, the Ministry of Environment and Natural Resources (*Ministerio de Ambiente y Recursos Naturales*, MARN), and the Ministry of Agriculture, Livestock and Food will support ER Program implementation.

7. **Climate change mitigation through REDD+ represents an opportunity to unlock the forest sector's capacity to contribute to rural development, while addressing rapidly growing threats to standing forests.** Guatemala's efforts to strengthen the forest sector have proven successful to support the livelihoods of often marginalized populations. However, deforestation, forest degradation, and the impacts of COVID-19 not only threaten to upend decades of gains, but also degrades the country's natural capital, increasing climate change vulnerability of essential sectors of the economy (e.g., agriculture and energy) and the livelihoods of marginalized rural communities. Results-based payments from REDD+ will contribute to increasing the value of standing forests while creating employment, generating income, and strengthening inclusive forest governance.

Relationship to CPF

8. **The proposed ER Program is aligned with Guatemala's Country Partnership Framework (CPF) FY2017-2020 (Report No. 103738-GT), discussed by the World Bank Board of Executive Directors on November 18, 2016, as revised in the CPF Performance and Learning Review (PLR) considered by the Board in October 2019.**<sup>20</sup> The proposed ER Program forms a key part of Pillar #2 of the CPF that seeks strengthening the country's institutional capacity to manage and adapt to the impacts of climate change (Objective #5). This engagement area aims to improve the management of terrestrial natural assets as well as benefit from it. The ER Program supports REDD+ approaches that are pro-poor, including engagement of local people in forest management, livelihood development, and equitable benefit-sharing plans. The ER Program would strengthen the economically profitable and social-equitable forest sector development model that Guatemala has been implementing since 1996 through the deployment of forest incentives and a variety of public-private partnerships for forest governance and management.

<sup>15</sup> REDD+: Reduction of Emissions from Deforestation and forest Degradation

<sup>16</sup> <https://www.forestcarbonpartnership.org/system/files/documents/Resolution%201%20Guatemala%20ER-PIN.pdf>

<sup>17</sup> [https://www.forestcarbonpartnership.org/system/files/documents/Guatemala\\_ERPD\\_11\\_05\\_2019.pdf](https://www.forestcarbonpartnership.org/system/files/documents/Guatemala_ERPD_11_05_2019.pdf)

<sup>18</sup> The ER Program excludes Laguna del Tigre National Park and the Triangulo de la Candelaria, in the northwest, and three municipalities of the Izabal department (Livingston, Morales, and Puerto Barrios).

<sup>19</sup> Early REDD+ Projects means public-private financed REDD+ Projects certified by Verra's Voluntary Carbon Standards (VCS)

<sup>20</sup> Report No. 103738-GT.



### C. Proposed Development Objective(s)

9. The Project Development Objective is to make payments to the Program Entity for measured, reported and verified Emission Reductions (ER) from reduced deforestation and forest degradation, as well as the enhancement of forest carbon stocks (REDD+) in targeted areas of Guatemala, and to ensure that paid amounts are distributed according to an agreed Benefit Sharing Plan (BSP).

#### Key Results

10. The achievement of the PDO will be measured through the following indicators:
  - a) Volume of ERs measured and reported by the Recipient, verified by an independent reviewer, and transferred to the FCPF Carbon Fund (ton CO<sub>2</sub>e)
  - b) Payments received by the Recipient from the FCPF Carbon Fund for ERs generated by the ER Program (US\$)
  - c) ER payments distributed in accordance with agreed Benefit Sharing Plan (BSP)

### D. Project Description

#### (i) Scope of the instrument

11. **The proposed Emission Reductions Crediting (ERC) operation consists of a transaction through an ERPA for the delivery of, and payment for ERs and subsequent distribution of payments according to a BSP.** The financing for this operation is provided by the FCPF Carbon Fund and will not cover the investment costs associated with ER Program implementation. The ERs generated will be measured as tCO<sub>2</sub>e against a previously determined Forest Reference Emissions Level (FREL) through a monitoring, reporting and verification system and involving independent, third-party verification of monitoring reports.

#### (ii) Underlying activities that will generate the ERs

12. **To reduce emissions, Guatemala will implement government programs and three community-based early REDD+ Projects.** The government programs are two INAB-managed forest incentive programs (i.e., PROBOSQUE and PINPEP), and the CONAP's Program 31. PROBOSQUE, which started in 2017 and will end in 2045, provides forest incentives to private landowners for forest protection, restoration, management, and agroforestry. Similarly, PINPEP, which started in 2010 and has no end date, provides incentives to possessors of small extensions of lands for the same types of forestry activities. The Program 31 is the CONAP's main program for forest protection and conservation within the SIGAP, including by promoting joint protected area management models involving a wide range of stakeholders from civil society to academia, among others. To ensure Guatemala achieves ERs goals under the ERPA, these existing government programs will be enhanced by the US\$24 million Forest Investment Program.<sup>21</sup> The three early REDD+ Projects are GuateCarbon, Lacandón Forest for Life, and Reddes Locales para el Desarrollo.<sup>22</sup> The government programs and the early REDD+ projects are already implementing one or more of the 19 REDD+ actions identified in the ERPD as essential to address the drivers of deforestation and forest

<sup>21</sup> Currently under development.

<sup>22</sup> The GuateCarbon and the Lacandón Forests for Life REDD+ Projects are certified by two Verra standards: The Voluntary Carbon Standard and the Climate, Community, and Biodiversity Standard. The Reddes Locales para el Desarrollo is still in the process of getting such certifications.





degradation. Guatemala has agreed with the Carbon Fund on an approach that ensures that future measurement of emissions in the program jurisdiction is consistent with the agreed FREL.

(iii) The Transaction

13. The ERC Transaction has two components: (1) ER Verification and Payment and (2) Benefit Sharing.
14. **Component 1. ER Verification and Payment.** The ER Program is expected to generate up to 10.5 million tCO<sub>2</sub>e, with the potential of additional ERs during the five-year ERPA term. The Carbon Fund will calculate the corresponding payments based on the country's monitoring reports verified by an independent party. The monitoring report will include information on ER Program implementation and safeguards, non-carbon benefits, transfer of ER titles to the Carbon Fund, and benefit sharing.
15. **Component 2. Benefit Sharing.** According to the BSP<sup>23</sup>, the results based ERPA payments will be distributed among proponents and beneficiaries of three types of REDD+ initiatives: (i) Mechanisms for the Compensation of Ecosystem and Environmental Services projects; (ii) Program 31 Management Models, to be implemented within the SIGAP; and (iii) early and new REDD+ Projects. Payments for results received from the Carbon Fund will flow to the final beneficiaries in the form of monetary and non-monetary benefits, building on existing channels. MINFIN will be the recipient of the gross ER payments and, based on the decisions of a National Benefit Sharing Committee regarding application of the above-mentioned benefit distribution criteria, it will transfer said resources to REDD+ initiatives' beneficiaries.

#### Legal Operational Policies

##### Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Areas OP 7.60

No

#### Summary of Assessment of Environmental and Social Risks and Impacts

16. The Project relies on underlying activities that are not likely to generate a wide range of significant adverse risks and impacts. There is a low probability of serious adverse effects on the environment, and the effects of the Project on areas of high value or sensitivity are expected to be positive, given the focus on policy changes, small and medium-scale forestry, community-based natural resource projects, among other activities. The ER Program is also expected to have positive impacts on vulnerable and systematically excluded groups through better forest governance, more inclusive decision making (e.g., forest concessions), an increase in employment and business opportunities due to the reduction of illicit forestry activities and the improvement of the livelihoods of people with small land holdings. Furthermore, the ER Program activities are also expected to enhance livelihoods through a more coordinated support from various public programs that would generate increased revenues from sustainable practices, thus generating rural employment. Impacts on physical, cultural, and/or archeological sites, economic

<sup>23</sup>

<https://www.forestcarbonpartnership.org/system/files/documents/ADVANCED%20DRAFT%20BSP%20Guatemala%2004Ago20.pdf>



displacement, land acquisition or resettlement are considered minimal. Nevertheless, given the innovative and results-based nature of the instrument, scale of the area of program coverage, and the limited capacity of the Program Entity, the ER Program E&S risk is classified as substantial.<sup>24</sup>

17. **Environmental and Social (E&S) Assessment.** Guatemala carried out a full-scale Environmental and Social Assessment for the forest sector (2014-2017), as well as a Strategic Environmental and Social Assessment and Environmental and Social Management Framework (ESMF) for the ENDDBG. The E&S strategy for the ER Program is built on this approach and will be managed through the ESMF and the following instruments in the ESMF Annexes: an Indigenous Peoples Framework, Process Framework, Resettlement Policy Framework, Labor Management Procedures, Stakeholder Engagement Plan with a robust Feedback Grievance and Redress Mechanism (FGRM), Pest Management Plan, Biodiversity Action Plan, and Cultural Heritage Management Guidelines. Subproject level plans will be required for those underlying activities that pose specific risks and impacts related to the provisions of E&S Standards (under the premise that underlying activities not consistent with the ESMF will need to be either retrofitted or excluded from the ER Program). The ESMF and its annexes contain guidelines for the preparation of site-specific E&S instruments during the ER Program implementation phase. All E&S documents were consulted since the summer of 2019 and will be finalized before ERPA signature; these documents are gender-sensitive and mainstream Gender-Based-Violence prevention measures. The ER Program will also put a strong focus on law enforcement for forest management and FGRM through INAB and will ensure sufficient resources to supervise the activities through the national safeguards system and report through the safeguards information system as well as deepen capacity building on E&S matters for project involved institutions. The E&S instruments have been publicly disclosed at INAB website.<sup>25</sup>
18. **Stakeholder Engagement.** The ER Program was developed through an in-depth stakeholder involvement process which involved nation-wide consultations of the ESMF and the other E&S instruments. Extensive consultations have taken place. The dialogue and participation process with stakeholders involved a round of informative consultations and dialogues throughout 2019. Ten informative dialogues were held in eight cities of the country, through which the participation of 662 attendees was reached (35 percent were women and 40 percent Indigenous). Eight workshops complemented these dialogues and fed into the E&S instruments, reaching 55 stakeholder groups and 392 people in total. The E&S instruments and the ER Program were then formally consulted in August 2019. The documents integrate stakeholders' feedback mainly on land tenure, the importance of establishing a robust FGRM, an exclusion list to avoid investments on disputed lands, and respect traditional or underlying customary use of land or natural resources.
19. **Feedback Grievance Redress Mechanism.** MINFIN and the ICG are developing a FGRM to receive and address stakeholder concerns, suggestions, and complaints and use the feedback for continuous improvement of ER Program interventions and their implementation. The design of the FGRM is based on earlier prototypes developed at local and national levels in the process of land definition and titling.

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<sup>24</sup> To view the E&S Risks and Impacts, please refer to the publicly disclosed Appraisal Stage Environmental and Social Review Summary document

<sup>25</sup> <http://www.inab.gob.gt/>



## E. Implementation

### Institutional and Implementation Arrangements

20. **MINFIN will be the Program Entity** and as such will represent Guatemala in this ER Transaction, receive the gross results-based payments, and distribute monetary benefits to REDD+ Initiatives proponents and/or final beneficiaries.
21. **INAB will be responsible for the overall ER Program management and coordination**, through the Program Implementation Unit, including to administer, coordinate, and supervise the REDD+ Initiatives, and coordinate the monitoring and reporting of carbon, non-carbon benefits, benefit sharing, transfer of ER titles, safeguards, and the FGRM. It will work under the overall guidance of the ER Program Steering Committee. It will also coordinate with: (i) the technical ICG on implementation supervision and monitoring of REDD+ Initiatives, E&S compliance, FGRM implementation, non-carbon benefits, and benefit sharing; (ii) the Inter-Institutional Group for Forest and Land-Use Monitoring on MRV for carbon; and (iii) the National Benefit Sharing Committee on BSP monitoring, reporting, and verification, and ER Title transfer. The latter has a balanced representation of national government institutions, municipalities, and REDD+ Initiatives implementers. The Indigenous Peoples and Local Communities will be represented in this committee through the REDD+ Initiatives.
22. **At the regional level**, INAB's regional offices will deal with the implementation of REDD+ Initiatives outside the SIGAP, while CONAP's regional offices will deal with new REDD+ Initiatives within the SIGAP.
23. **INAB will produce consolidated monitoring reports on ER Program implementation**. Guatemala has developed an integrated information system as a submodule of the National Information System on Climate Change. The Government's Monitoring Reports will be subject to verification by an independent reviewer commissioned by the World Bank. Additional elements covered in the monitoring report (i.e. implementation progress, safeguards, benefit sharing) will be reviewed/verified by the World Bank.
24. **Registry of REDD+ Initiatives and ER Transaction Registry**: MARN will make publicly available information on the REDD+ Initiatives carried out in the country. All REDD+ Initiatives seeking to participate in the ER Program will be registered. ER transactions registration will be made under the Carbon Fund's Carbon Assets Trading System, prevents double counting or claiming of the transacted ERs.
25. **ERPA payments** will be made following the submission of monitoring reports and third-party verifications on not only ERs generated, but also compliance with E&S requirements and the BSP.

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### APPROVAL

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