

### Basic Information

<b>Approval Year</b>	: 2020	<b>Region</b>	: CID
<b>Team Leader</b>	: Sosa Villatoro, Ana Ayme	<b>Country</b>	: Guatemala
<b>Taxonomy</b>	: Operational Support	<b>Department</b>	: CSD
<b>Fund</b>	: FCP	<b>Sector</b>	: PA - Forest Resources Management
<b>Approval Number</b>	: ATN/FP-17987-GU	<b>Sub Sector</b>	: FOR
<b>Execution Agency</b>	: US-IDB		
<b>Execution Status</b>	: Closed		
<b>Operation Objective</b>	: Support the Government of Guatemala (GdG) in the preparation of its National Strategy for the Reduction of Emissions from Deforestation and forest Degradation (REDD+), complementing the results achieved in the first and second phase (GU-T1272) and strengthening the design and the socialization of actions to be addressed by deforestation agents.		

### Financial Information

#### GU-T1310

ATN/FP-17987-GU:FCP	Original	Current	% of Current Amount Financed
<b>Amount Financed</b>	\$385,161.00	\$383,235.08	
<b>Disbursed Amount</b>	N/A	\$383,235.08	100.00 %
<b>Commitments not yet disbursed Amount</b>	N/A	\$200.00	0.05 %
<b>Available Amount</b>	N/A	(\$200.00)	-0.05 %
<b>Final Disbursement Date</b>	Dec 15, 2022		

#### Associated Loan Operations:

GU-L1165 : Sustainable Forest Management Project

### Status Update

The operation has concluded its execution, achieving compliance with all indicators and products established in the Technical Cooperation. Of total funds, USD 1,925.92 (0.50%) have been cancelled and were due exchange difference. The operation had two extensions to finalize its execution due the extension of the FCPF fund expiration date to December 31, 2022, which allowed the development of pending activities related to the sustainable livestock program and activities to align public policies in the forestry and agricultural sector with the REDD+ Strategy and the country's updated NDC. During the execution of the operation, support was provided to the Ministry of Public Finance in the process of signing the Emission Reduction Purchase Agreement (ERPA) derived from the actions established in the National REDD+ Strategy. The capacities of the National Forest Institute (INAB), the Ministry of Environment and Natural

Resources (MARN) and the Ministry of Energy and Mines (MEM) were strengthened for the implementation of REDD+ related activities. Instruments were developed that will allow access to climate finance for the implementation of activities to address key factors in terms of deforestation, especially in the livestock and agricultural sectors - the main drivers of deforestation in the country - such as the sustainable livestock program aligned with REDD+ and the Plan for ethanol and sustainable sugarcane production aligned with REDD+ which were finalized.

Important milestones achieved during 2022:

- Completion of the first REDD+ emission reduction monitoring report for the period from January to December 2020 which will allow the country to access the first results based payments from Carbon Fund,
- INAB’s technical strengthening to advance compliance with ERPA effectiveness conditions such as completion of the benefit distribution plan and its socialization with stakeholders; the operational manual for benefit distribution; safeguards, non-carbon variables, benefit sharing and environmental and social impacts reports, amongst others.
- Sustainable livestock program updated with climate resilience considerations to achieve sustainable livestock farming.
- Progress in management and approval processes for climate finance instruments linked to ENREDD+, such as the Sustainable Forest Management Project, to ensure the sustainability of actions under the Strategy beyond the financing of the Carbon Fund.

**Advance in the Achievement of Outcome and Outputs**

**Advance in the Achievement of Outcome**

**1 . Actualización del registro histórico de emisiones de gases de efecto invernadero en el sector bosques.**

This outcome was developed under the operation GU-T1272 "Phase II of the preparation of REDD+ National Strategy" which also financed the first stage of the elaboration of the forest cover maps to update the REDD+ reference levels. Due COVID-19 some field activities in the first contract of the consulting firm who developed the first stage of the maps (under GU-T1272) were canceled and compensated through the preparation of the second stage of the maps, therefore, it was no longer necessary to cover this outcome with the assigned resources in the GU-T1310 and these were reoriented for the design of the sustainable livestock program under Component 2 and to the first monitoring report of the Emission Reduction Program.

**2 . Promover acciones en el sector agropecuario alineadas a la Estrategia REDD+**

The ethanol plan has been designed and implemented as reported in 2020. The results are being used by the Ministry of Energy and Mines to elaborate a regulation of law that will allow the use of renewable biofuels in the transportation sector, and which would result in the reduction of at least 7 million tCO2e over the next ten years, thus contributing to the 10% of NDC goals. The plan promotes the use of ethanol based on sugar cane from sustainable sources with the aim of reducing GHG emissions, the results of the pilot carried out showed the reduction of CO2 emissions by 21%, carbon monoxide by 71% and hydrocarbons by 74%.

As well, the proposal for sustainable low-emission livestock farming with a focus on protecting the forests of the Petén and northern lowlands of Guatemala was finalized. Measures were incorporated to address considerations of resilience and adaptation to climate change in the agricultural sector. This process was carried out in parallel, accompanying and advising the Ministry of Agriculture, Livestock and Food for the socialization and positioning of the proposal with various strategic stakeholders in the sector. This update allowed the alignment of the proposal with MAGA's strategic agenda regarding planning instruments, policies and laws, such as the updated NDC, livestock policy and low emissions livestock strategy, national REDD+ strategy, emissions reduction program, among others.

**Advances in Execution**

**1. Apoyo a la actualización de los niveles de referencia de emisiones en el sector bosques**

**Component Cost: \$0**

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
1.1 Mapa finalizado de la dinámica de cambio de cobertura forestal		Mapa	0	2020	Mapa dinámica cambio de cobertura 2006-2016	Climate Change	Physical			
							2020	1		0
							2021		0	1
							EOP 2022	1	0	1
							Financial			
							2020	100000		0
							2021			
							EOP 2022	100000	0	0

**Advances In Execution:** The operation GU-T1272 "Phase II of the preparation of REDD+ National Strategy" financed the first stage of the elaboration of the forest cover maps to update the REDD+ reference levels. With the present TC, GU-T1310 (Component 1), a single source selection was requested for the consulting firm that carried out this work (first stage) in order to develop the second stage of these maps. However, due COVID-19 some field activities in charge of this consulting firm (first contract under GU-T1272) were canceled and compensated through the preparation of the second stage of the maps, therefore, it is no longer necessary to cover this activity with the assigned resources in the GU-T1310 and these were reoriented for the design of the sustainable livestock program under Component 2 of the same operation and first monitoring report of the Emission reduction program for REDD+ activities.

## 2. Diseño de acciones para el abordaje de agentes de deforestación

**Component Cost: \$306,001**

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
2.1 Propuesta terminada para programa de ganadería sostenible alineada con la estrategia REDD+		Documento	0	2020	Documento de propuesta de programa ganadería sostenible	Climate Change	Physical			
							2020	1		0
							2021		1	1
							EOP 2022	1	1	1
							Financial			
							2020	165000		29135.51
							2021		216865.49	
							EOP 2022	165000	246001	29135.51

**Advances In Execution:** Since the beginning of the operation in 2020, individual consultancies were hired through the execution of the operation, to support beneficiary institutions in promoting the alignment of the NDC with REDD+ National Strategy, the sustainable livestock program, and other strategic actions in the sector; technical assistance was also provided to community-based groups in their engagement in the ERPA approval process, which resulted in the official launch of the National REDD+ Strategy by the Government. A proposal for low-emission sustainable cattle ranching was designed in response to the gap identified in the preparation and implementation of the National REDD+ Strategy for the country to access climate finance for the implementation of activities that address key unaddressed deforestation drivers, such as the cattle ranching sector. During 2022, a consulting firm was hired to update the proposal for sustainable, low-emission cattle ranching for the protection of the Petén and lowland forests of northern Guatemala. In this new version, a cross-cutting component on resilience and adaptation was integrated, in addition to incorporating livestock initiatives in the department of Petén, relevant with potential for replication in the territory.

Output Indicator	Indicator Detail	Unit Of Measure	Baseline	Baseline Year	Means Of Verification	Theme	Year	P	P(A)	A
2.2 Propuesta terminada para plan de etanol y producción sostenible de caña de azucar alineada con la estrategia REDD+		Documento	0	2020	Documento de propuesta de plan etanol	Climate Change	Physical			
							2020	1		1
							2021		0	0
							EOP 2022	1	1	1
							Financial			
							2020	75161		48000
							2021		12000	
							EOP 2022	75161	60000	48000

**Advances In Execution:** The ethanol plan has been designed and implemented as reported in 2020. The results are being used by the Ministry of Energy and Mines to elaborate a regulation of law that will allow the use of renewable biofuels in the transportation sector, and which would result in the reduction of at least 7 million tCO2e over the next ten years, thus contributing to the 10% of NDC goals. The plan promotes the use of ethanol based on sugar cane from sustainable sources with the aim of reducing GHG emissions, the results of the pilot carried out showed the reduction of CO2 emissions by 21%, carbon monoxide by 71% and hydrocarbons by 74%.

