



Short Procedure

Expires: 1 April 2005

AT-1315

25 March 2005

Original: Spanish

To: The Board of Executive Directors
From: The Secretary
Subject: Guatemala. Nonreimbursable technical-cooperation funding for the preparation of the program for sustainable development of the Maya Biosphere Reserve (GU-L1002)

Basic	Beneficiary	Republic of Guatemala
Information:	Amount	up to €273.096
	Source	General Cooperation Fund of Spain

Inquiries to: Mr. Helí Nessim (extension 3654)

Remarks: The Executive Directors are requested to inform the Secretary, in writing, not later than **1 April 2005**, if they wish to interrupt this procedure. If no such communication is received by that date, the resolution will be considered adopted by the Board of Executive Directors, and a record to that effect will be made in the minutes of a forthcoming meeting.

References: AT-1046-4(11/95), GN-1838-1(7/94), DR-398-5(5/03)

Other
distribution: Representative in Guatemala

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GUATEMALA

PREPARATION OF THE PROGRAM FOR SUSTAINABLE DEVELOPMENT OF THE MAYA BIOSPHERE RESERVE (GU-L1002)

(GU-T1018)

PLAN OF OPERATIONS

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BASIC SOCIOECONOMIC DATA

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

INFORMATION AVAILABLE IN THE RE2 TECHNICAL FILES

Execution:

ANNEX II	Terms of reference: Baseline, lessons learned, and indicative sample of projects	http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=494717
ANNEX III	Terms of reference: Tourism demand and design of the tourism component of the program	http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=494117
ANNEX IV	Terms of reference: Formulation of the program and the action plan	http://opsws3.reg.iadb.org/idbdocswebservices/getDocument.aspx?DOCNUM=494444

ABBREVIATIONS

FGCE	Fondo General de Cooperación de España [Spanish General Cooperation Fund]
GIS	geographic information system
MBR	Maya Biosphere Reserve
NASA	National Aeronautics and Space Administration
PCU	program coordination unit
PROPEF	Project Preparation and Execution Facility
SCEP	Secretaría de Coordinación Ejecutiva de la Presidencia [Executive Coordination Secretariat of the Office of the President]

PLAN OF OPERATIONS
NONREIMBURSABLE TECHNICAL-COOPERATION PROGRAM

**PREPARATION OF THE PROGRAM FOR SUSTAINABLE DEVELOPMENT
OF THE MAYA BIOSPHERE RESERVE (GU-L1002)
(GU-T1018)**

18 February 2005

I. GENERAL INFORMATION

Country/ beneficiary:	Guatemala		
Executing agency:	Secretaría de Coordinación Ejecutiva de la Presidencia (SCEP) [Executive Coordination Secretariat of the Office of the President] with the Bank's cooperation through the Environment and Natural Resources Management Division, Region 2 (RE2/EN2)		
Beneficiaries:	The Government of Guatemala and the inhabitants of the Maya Biosphere Reserve (MBR)		
Amount and source:	Spanish General Cooperation Fund (FGCE):	Euros 273,096¹	US\$360,000
	Local contribution (SCEP):		US\$ 30,000
	Total:		US\$390,000
Execution and disbursement periods:	Six months execution and eight months disbursement counting from the date on which the letter of agreement takes effect.		
Objectives:	The general objectives of the consulting services are to structure and obtain consensus on the program for sustainable development of the Maya Biosphere Reserve (GU-L1002) and the corresponding action plan for its implementation.		
Special contractual clauses:	None.		
Exceptions to Bank policy:	None.		

¹ Exchange rate at 2 March 2005.

Environmental and social review:	As indicated in the minutes of the 18 February 2005 meeting of the Committee on Environment and Social Impact, this operation does not require an environmental impact assessment. It is not expected to have an adverse environmental or social impact, since the technical-cooperation program will be financing studies.
Coordination with other official development institutions:	The activities in this operation have been coordinated with institutions that have sector responsibilities, through an interagency technical committee established by the SCEP for the program.

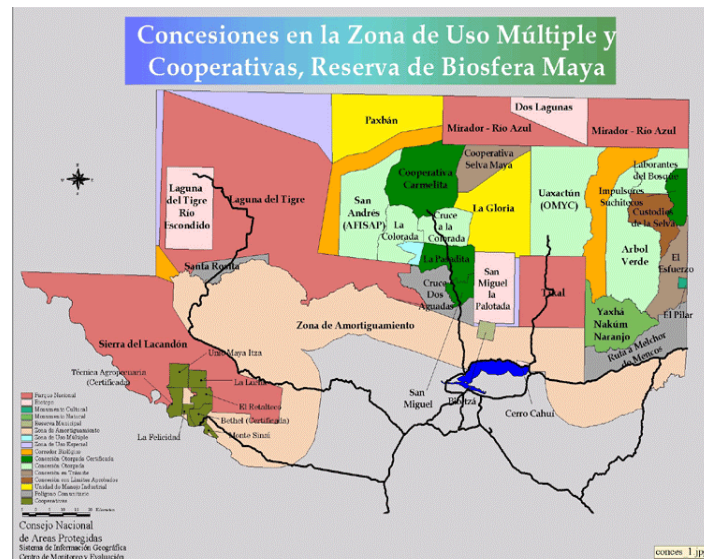
II. BACKGROUND

- 2.1 To protect the natural and archeological heritage of El Petén department in northern Guatemala, in 1990 the government declared 15,553 km² in the north of the region to be the Maya Biosphere Reserve (MBR). Given the importance of the region, the Bank, at the government's request, has been cooperating with the Ministry of Public Finance (MINFIN) and the Secretaría de Coordinación Ejecutiva de la Presidencia (SCEP) through technical-cooperation projects to conduct key studies for the preparation of a sustainable development program for the Maya Biosphere Reserve (GU-L1002).
- 2.2 **Nature of the region and problems.** El Petén department covers one third of the country (35,854 km²). It contains one of the most important complexes of natural forests in Mesoamerica and is a unique natural and archeological heritage, whose preservation is of great national and international value. El Petén offers one of the densest archeological concentrations in Mesoamerica, with monuments from the ancient Mayan civilization. More than 175 major sites have been counted in the area and there are more than 1,000 secondary ones. The Mayan ruins, combined with the rich ecological surroundings, make this one of the most prized areas on the continent for its historical and ecological value and a prime tourist attraction. The Maya Biosphere Reserve (MBR), particularly in the north-central zone, contains important Mayan ruins from the pre-classical era (such as El Mirador) that some archeologists consider to be the cradle of the Mayan civilization.
- 2.3 The MBR is the largest protected area in Central America and the heart of the largest tropical forest reserve in Mesoamerica, known as the Mayan Jungle, which occupies 60% of the reserve's total area. The MBR plays an important role in connecting the other natural areas in the Mesoamerican Biological Corridor, permitting the operation of ecological processes that determine the survival of species that require large home ranges. The MBR has a core zone (covering 36% of the territory), a multiple use zone (covering 40%) and a buffer zone (covering 24%). USAID and The Nature Conservancy supported preparation of the master

plan for the MBR and various initiatives in the region, including the development of management plans for several protected areas in the zone.

- 2.4 Apart from the undeniable tourism potential of the zone, the multiple use zone has potential for other productive activities apart from logging, which are not being tapped and which could benefit larger numbers of community members. They include exploitation of non-wood forest products, extractive activities, activities to confer value added on products, organic production, ecological and adventure tourism, etc. The fact that the region is ecologically fragile, that 53% of families live below the poverty line, and that most communities lack basic services such as health care, education, electricity, water, and sanitation are some of the weak points.

Concessions in the multiple use zone and cooperatives, Maya Biosphere Reserve:



- 2.5 The buffer zone—the southernmost zone—plays an important role in preserving the two other zones, and its role will become even more important in the future as there is expected to be an appreciable increase in tourism to the zone attracted, among other things, by El Mirador. To maintain selective tourism in the northern zone, geared to its bearing capacity, infrastructure in the buffer zone must be strengthened and its natural resources protected.
- 2.6 A multiphase program is envisaged to support the government's actions in the area without incurring high levels of debt. Although the design of a program of this kind will be the result of an effort by the government, in participation with interested sectors and the communities, the starting point could contain the following strategic components: (i) **Strengthening of management capacity in the region**, both of central government institutions to increase their effective presence in the zone and

- their coordination, and of local governments and community organizations.
- (ii) **Promotion of tourism alternatives**, with a broader package for El Petén that includes the main established archeological sites (such as Tikal, Yaxhá, and others) and their natural surroundings, adventure tourism (river trips, rafting, communing with lakes and nature, etc.) and ecotourism. In the package, the El Mirador site would be a select option, with certain restrictions, to gradually tap its potential, particularly its educational and scientific potential, but without exceeding its bearing capacity and that of its surroundings; and more intensive developments would be promoted in the nearby towns. (iii) **Increase in the coverage of basic services**, through participation by community associations in prioritizing and selecting projects, and by local governments in their execution, covering the basic aspects of security, health care, education, electricity, water, and sanitation. (iv) **Diversification of production** based on the value added to logging activities in forest concessions, agroproduction, and non-wood forest products.
- 2.7 In the first phase of the program (four years), emphasis will be placed on component 1, on information infrastructure for tourists, and on the inclusion of El Mirador as a restricted-access component of the tourism package in component 2, strengthening research and restoration of the main facades and structures of the complex. Emphasis will also be placed on community organization for the initial investments in the most urgent basic services under component 3. Also, pilot agroproduction projects will be carried out to lay the groundwork for action on a larger scale during phase two. The emphasis in the second phase (five years), will be to consolidate the progress made in component 1 during phase one, promote a controlled, sustainable increase in the intensity of tourism activities to make the chain of benefits reach the communities in the area of intervention and its area of influence, and increase investments in basic services projects and agroproduction projects suitable for the zone.
- 2.8 Under the mandate conferred by the agreement establishing the conditional revolving line of credit (FAPEP/014-GU), the Ministry of Public Finance asked the Bank for reimbursable financing (US\$550,000) from the Project Preparation and Execution Facility (PROPEF) (GU-L1003) to build up the management capacity and equipment of the program coordination unit (PCU), complete NASA's mapping of archeological sites and hydrologically significant elements in the MBR, carry out consensus-building activities to improve the participative process, and design and execute some of the most urgent small local projects requested by the communities.
- 2.9 With proceeds from the proposed technical-cooperation operation, complementary activities will be financed to support the formulation of program GU-L1002, under an action plan agreed on with the SCEP, which is considered a priority by the Guatemalan government and has been included in the Bank's pipeline of loans for 2005. Coordinated execution of the activities financed by the line of credit (GU-L1003), other Bank technical-cooperation operations (GU-T1018 and

GU-T1021), and the activities financed under the proposed operation will make a sample of projects available for year one and have program execution capacity installed for when the Bank approves the program (GU-L1002).

- 2.10 The work and activities agreed on for this technical-cooperation operation have been grouped for execution into three interrelated packages that are easy to prepare. The packages are: *(i) baseline, lessons learned, indicative land use management plan, and indicative sample of projects; (ii) tourism demand and design of the tourism component of the program; and (iii) formulation of the program and action plan.*

III. OBJECTIVE AND DESCRIPTION OF THE TECHNICAL-COOPERATION OPERATION

A. Objectives

- 3.1 The **general objectives** of the consulting services are to structure and obtain consensus on the program for sustainable development of the Maya Biosphere Reserve (GU-L1002) and the corresponding action plan for its implementation.

B. Description

- 3.2 To achieve the objectives of the technical-cooperation operation, technical assistance services and workshops for consultation and consensus building will be financed to support the SCEP and the PCU in the activities described below. For the purpose of contracting and executing the services, activities have been grouped into the following packages.

1. Baseline, lessons learned, and indicative sample of projects

- 3.3 To study the lessons learned from the main programs executed and in execution in El Petén, including forest concessions, and to prepare a baseline that includes the results of the mapping of archeological sites and hydrologically significant elements (to be done by NASA), including biodiversity, social, and cultural elements and concessions and their characteristics, making use of all the information available in government institutions and in the National Protected Areas Council's Monitoring and Evaluation Center (CEMEC) (see the terms of reference in Annex II).
- 3.4 To present the information using a geographic information system (GIS) and prepare an indicative land use management plan for the study area. To identify eligible categories of projects and establish an indicative sample of projects prioritized by the communities on agroproductive and extractive activities and non-wood forest products, and a sample of activities that confer value added on logging in forest concessions. Also a sample of pilot projects for those activities and

activities in the field of environmental and natural resource management, to diversify the production of communities with forest concessions and allow other communities from areas in the multiple use zone that do not have concessions to participate in the benefits.

- 3.5 Also, an indicative sample of projects prioritized by the communities will be prepared in eligible indicative categories in health care, education, electricity, water, and sanitation, with the participation of community associations and local governments. All the projects should respond to the priorities established in the 2001-2006 master plan for the MBR and to the development strategy agreed on as a result of these studies. Once the projects are designed, they can be carried out using funds from other projects currently in execution and subsequently from the future program for sustainable development of the Maya Biosphere Reserve, based on community demand. The indicative sample of projects referred to in this section will be complementary to the small projects requested by the communities which, because of their urgency, will be designed for immediate execution with PROPEF funds.

2. Tourism demand and design of the program's tourism component

- 3.6 A broader tourism package will be established for El Petén that would include the main established archeological sites (such as Tikal and Yaxhá), adventure tourism (rafting, communing with nature, etc.) and ecotourism. In the package, El Mirador would be a restricted option so as not to exceed its bearing capacity. The developments would be promoted in nearby zones such as Santa Elena, Carmelita, Sayaxché, etc. This package could be integrated with the Mundo Maya [Mayan World] circuit and would include the productive linkages necessary to guarantee that the communities in the area of intervention and area of influence also reap the benefits. The design of the component to support **comprehensive development of the tourism sector** in El Petén will form part of the sustainable development program for the MBR. Favorable conditions will be created for sustainable tourism that is equitable, socially and environmentally responsible and intended to improve the quality of life of the local population. This component will be part of the investment program and action plan to be presented to the IDB for financing (GU-L1002). **Eligible investment categories** will be identified and an **indicative sample of projects** and activities to which the community attaches priority will be incorporated, including pilot projects in those activities. The process of identification, design, and analysis of activities and projects will be highly participatory, bearing in mind the value of the natural and cultural heritage and the expectations of the local stakeholders. The studies on community tourism produced earlier with financing from the United States Agency for International Development, the master tourism plan prepared on the national level with financing from the Japan International Cooperation Agency, and the study on demand for specific sites prepared by the firm PA International for the Mundo Maya program will serve as the foundation for this (see the terms of reference in Annex III).

3. Formulation of the program and the action plan

- 3.7 Taking the 2001-2006 master plan for the MBR as the point of departure, and in conjunction with national institutions, other potential donors and lenders, development councils, local governments, and community organizations, the current development strategy will be revised and possible scenarios for the region's sustainable development will be suggested, based on all the earlier studies and those carried out during the program with resources from this technical-cooperation operation. Indicators for evaluating and ranking the scenarios will be agreed on and potential conflicts and the positive and negative consequences of each scenario will be studied, including an analysis of winners and losers in each situation (see terms of reference in Annex IV).
- 3.8 Using alternative dispute resolution methods, the most desirable scenario will be selected and the strategic guidelines for its materialization will be identified. At the same time, the action plan for the program will be prepared participatively, integrating the baseline for the starting point, the GIS, the land use management plans, and other products of the tourism component, the indicative samples of projects and pilot projects, and the impact indicators, in a coordinated manner. The action plan includes formulation of the investment plan for the program for sustainable development of the Maya Biosphere Reserve (GU-L1002) as a whole. In short, this component includes: (i) development scenarios and strategic guidelines; (ii) the execution plan; and (iii) formulation of the program and its investment plan.

IV. COST AND FINANCING

- 4.1 The cost of this technical-cooperation operation is US\$390,000. The Spanish General Cooperation Fund (FGCE) will contribute US\$360,000 equivalent (273,096 euros) in nonreimbursable funding, and the local contribution will be in kind, equivalent to US\$30,000 (logistical support for the institutions and the PCU). A summary of the total budget is presented below, with a breakdown of activities (see the detailed budget in Annex I).

Estimated cost of the project (in US dollars)

Technical-cooperation studies and activities	FGCE	Government
Spanish consulting firms	Months	US\$
Tourism demand and design of the tourism component, including validation workshops and an indicative sample of projects	8 (international: Spanish)	120,000 5,000
Formulation of the program and action plan, including scenarios, strategic guidelines, impact indicators, inclusion of all the outputs of the studies, execution plan, and consultation workshops	11 (international: Spanish)	150,000 10,000
Other consulting services	Months	US\$
To study the lessons learned and construct the baseline and indicative sample of projects, including consultation workshops	11 (local)	80,000 5,000
Supervision and monitoring of the studies		10,000 10,000
SUBTOTAL	19 (international: Spanish) 12.5 other	360,000 30,000^{a/}
TOTAL		390,000
a/ Corresponds to logistical support for the SCEP and the PCU. Euro = 0.7586 U.S. dollars at the exchange rate on 2 March 2005.		

V. EXECUTION AND BANK RESPONSIBILITY

- 5.1 The executing agency will be the Secretaría de Coordinación Ejecutiva de la Presidencia (SCEP), as the agency designated by the government to lead program preparation and execution. It will be supported by a program coordination unit (PCU), with the cooperation of the Bank, which will be in charge of contracting and administering resources, through the Environment and Natural Resources Management Division (RE2/EN2). To guide and supervise the studies, a project team will be established involving staff from the Country Office, the Environment Division and Indigenous Peoples and Community Development Unit of the Sustainable Development Department, and RE2/EN2.
- 5.2 The first three activities in the table will be carried out by consulting firms specializing in the field (the first two by Spanish companies), with extensive experience in the sector, and the work related to supervision of the studies will be performed by an individual consultant with experience in Bank projects and with the support of the SCEP and the PCU.
- 5.3 The consulting firms and the individual consultant will be contracted directly by the IDB through the Environment and Natural Resources Management Division of Region 2. That Division will be responsible for supervising and approving the

reports and payments to the consultants. The officer in charge will be Mr. Heli Nessim (helin@iadb.org, extension 3654).

VI. ACTION PLAN

- 6.1 The term for executing the different studies and formulating the development program and its action plan will be six calendar months and the disbursement period will be eight months from the date on which the letter of agreement takes effect. Activities will be contracted simultaneously during the first month and the studies will be completed by month six.

VII. ENVIRONMENTAL AND SOCIAL IMPACTS

- 7.1 The Committee on Environment and Social Impact reviewed the profile of this technical-cooperation operation at its 18 February 2005 meeting. It indicated that this operation did not require an environmental impact assessment. Since the activities to be financed under the technical-cooperation program are studies, they are not expected to have any adverse environmental or social impact. Instead, it is expected that the impact will be positive, since the operation will propose solutions to the region's socioeconomic and environmental problems and indicate how to prevent and/or mitigate the possible adverse impact of specific activities and/or projects that could potentially be harmful.

**PREPARATION OF THE PROGRAM FOR SUSTAINABLE DEVELOPMENT
OF THE MAYA BIOSPHERE RESERVE (GU-L1002)**

(GU-T1018)

VIII. CERTIFICATION

- 8.1 I certify that this operation was approved for financing by the donor of the Spanish General Cooperation Fund (Comisión de Financiación de Estudios de Viabilidad [Feasibility Studies Financing Commission] – 13 January 2005), and communicated to the Technical Cooperation Coordination Unit of Region 2 through an e-mail received from the Assistant Deputy Director General for Multilateral Financial Institutions, Ministry of Economy and Finance of Spain, on 17 January 2005. Also, I certify that resources from the Spanish General Cooperation Fund (FGCE) are available for up to two hundred eighty-one thousand, six hundred and ninety (273,096) euros in order to finance the activities described and budgeted in this document. The commitment and disbursement of these resources shall only be made by the Bank in euros. The same currency shall be used to stipulate the remuneration and payments to consultants, except that local consultants working in their own country shall have their remuneration paid in the local currency. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein for the implementation of this plan of operations. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund assumes no risk.

Date: _____

Arnoldo M. da Fonseca, Chief
Technical Cooperation
Coordination Unit (RE2/TEC)

DETAILED BUDGET

Technical-cooperation studies and activities	FGCE	Government	
Spanish consulting firms	Months	US\$	
Tourism demand and design of the program’s tourism component, including validation workshops and an indicative sample of projects: 8 months of professional services at US\$12,000/month..... US\$96,000 Consultation workshops US\$ 2,500 Per diems US\$200 x 85 days US\$17,000 Trips (3)..... US\$ 4,500	8 (international: Spanish)	120,000	5,000
Formulation of the program and the action plan, including scenarios, strategic guidelines, impact indicators, integration of all the outputs of the studies, execution plan, and consultation workshops: 11 months of professional services at US\$12,000/month US\$132,000 Consultation workshops US\$ 2,000 Per diems US\$200 x 65 days US\$ 13,000 Trips (2)..... US\$ 3,000	11 (international: Spanish)	150,000	10,000
Other consulting services	Months	US\$	
Study the lessons learned, build the baseline and indicative sample of projects, including consultation workshops: 8 months of professional services at US\$6,000/month..... US\$48,000 Consultation workshops US\$ 3,100 Per diems US\$100 x 65 days US\$ 6,500 Local travel US\$ 2,400 Also includes preparation of a geographic information system and a land use management plan for the study area: 3 months of professional services at US\$5,000/month..... US\$15,000 Mapping and publications US\$ 700 Local travel US\$ 1,300 Per diems US\$100 x 30 days US\$ 3,000	8 3	60,000 20,000	5,000
Supervision and monitoring of the studies: 1.5 months at US\$5,000/month US\$ 7,500 Local travel US\$ 1,000 Per diems US\$100 x 15 days US\$ 1,500	1.5	10,000	10,000
SUBTOTAL	19 international (Spanish) 12.5 other	360,000	30,000_{a/}
TOTAL		390,000	
a/ Corresponds to logistical support for the SCEP and the PCU. Euro = US\$1.278 at the exchange rate on 13 January 2005.			

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

RESOLUTION DE-__/_

Guatemala. ATN/___ - ___ - _____. Nonreimbursable Technical Cooperation for the Preparation of Maya Biosphere Reserve Sustainable Development Program (GU-L1002)

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the General Cooperation Fund of Spain, to enter into such agreement or agreements as may be necessary with the Republic of Guatemala, and to adopt such other measures as may be pertinent for the preparation of the Maya Biosphere Reserve Sustainable Development Program (GU-L1002) referred to in document AT-_____.
2. That up to the sum €273,096 is authorized for the purposes of this resolution, chargeable to the resources of the General Cooperation Fund of Spain.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

(Adopted on ___ ____ 200_)