



REQUEST FOR CEO ENDORSEMENT/APPROVAL

PROJECT TYPE: FULL-SIZED PROJECT
THE GEF TRUST FUND

Submission Date: 08/13/2008
Re-submission Date: 10/23/2008

PART I: PROJECT INFORMATION

GEFSEC PROJECT ID: 2687

GEF AGENCY PROJECT ID: GU-X1001

COUNTRY(IES): Guatemala

PROJECT TITLE: Improvement of Management Effectiveness in the Maya Biosphere Reserve (MBR)

GEF AGENCY(IES): IADB,

OTHER EXECUTING PARTNER(S): Ministry of Environment and Natural Resources (MARN) through CONAP

GEF FOCAL AREA(S): Biodiversity

GEF-4 STRATEGIC PROGRAM(S): BDrev1 OP-3 (project formulated during GEF-3) and SP1 and SP3 under GEF-4

NAME OF PARENT PROGRAM/UMBRELLA PROJECT:

Expected Calendar	
Milestones	Dates
Work program (for FSP)	June 2007
GEF Agency Approval	October 2008
Implementation Start	November 2008
Mid-term Review (if planned)	April 2011
Implementation Completion	November 2013

A. PROJECT FRAMEWORK (Expand table as necessary)

Project Objective: conservation and sustainable use of the biodiversity of the MBR, with an emphasis on the areas of high biological importance, through strengthening of institutional capacity and effective participation of different interest groups to optimize its management.

Project Components	Investment, TA, or STA**	Expected Outcomes	Expected Outputs	GEF Financing*		Co-financing*		Total (\$) ('000)
				(\$ ('000))	%	(\$ ('000))	%	
1. Management capacity building	Investment and TA	Institutional arrangements and overall capacity for biodiversity conservation are strengthened	(i) existing mechanisms for co-management (forestry concession contracts in the Multiple Use Zone (MUZ), the co-administration agreements in the core zones, etc.) improved, and extended to new areas; (ii) the co-management model for the biological corridors in execution providing new economic opportunities for local residents; (iii) Community Relations Unit of CONAP in operation facilitating the implementation of Cooperation Agreements and land use plans with communities settled in the core zones contributing to reduce conflicts; (iv) capacities of CONAP and cooperating agencies in enforcement strengthened with new control posts and coordinated and more cost efficient patrol circuits.	1,060	41	1,540	59	2,600

2. Incentives for conservation and sustainable use of biodiversity	Investment and TA	Productive practices that mainstream biodiversity conservation in strategic parts of the MBR are adopted	(i) innovative micro-projects demonstrating the sustainable use of biodiversity compatible with the requirements of core zones and biological corridors in operation and replicated to strategic sites in the MBR; (ii) managers of community forestry concessions in the MUZ capacitated on technical, administrative, and managerial aspects; (iii) nature-based tourism circuits with community-operator partnerships and small-scale infrastructure linking the core zones, biological corridors and special use zones functioning; (vi) best practices for sustainable agriculture in the MUZ, special use zones and Buffer Zone (BZ) adopted by farmers.	400	5	7,000	95	7,400
3. Policies, regulations and other instruments for management	Investment and TA	Policy framework compatible with biodiversity conservation is endorsed and implemented and barriers to its sustainable use are removed	(i) land and resource use rights in the community polygons, special use zones and biological corridors clarified in accordance with the inter-institutional agreement promoting the resolution of land conflicts in the MBR; (ii) boundaries demarcated and legal status of core zones and biological corridors clarified with the conservation units officially included in the National Register; (iii) sectoral policies for the Petén updated and harmonized with instruments that serve as disincentives to activities that threaten the biodiversity within the MBR; (iv) revenue-generating mechanisms in place and operating as part of a fully-endorsed Business Plan for the MBR.	920	48	1,000	52	1,920
4. Information for adaptive management	Investment and TA	Overall management of the MBR shifts towards an adaptive management approach guided by a regional vision of the Reserve	(i) cooperative agreements for improved coordination of data collection and analysis activities; (ii) consolidation of an integrated environmental and socioeconomic data base for adaptive management of the MBR; (iii) the monitoring and evaluation system issuing periodic reports on key indicators of management effectiveness and project performance; (iv) the research agenda for the MBR designed, with the participation of research agencies in Petén (v) the Adaptive Management Research Unit under the CONAP operating and capacity of local organizations to participate in research strengthened; .	950	100	0	0	950
5. Project management				300	18	1,300	82	1,600
Total Project Costs				3,660	27	10,940	73	14,600

* List the \$ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

** TA = Technical Assistance; STA = Scientific & technical analysis.

B. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	<i>Project Preparation*</i>	<i>Project</i>	<i>Agency Fee</i>	<i>Total at CEO Endorsement</i>	<i>For the record: Total at PIF</i>
GEF	350,000	3,660,000	400,000	4,410,000	4.851.000**
Co-financing	390,000	10,940,000		11,330,000	5,390,000***
Total	740,000	14,600,000	400,000	15,740,000	11,190,000

* Include a US\$350,000 PDF-B financed from GEF-3

**Project preparation US\$350.000 plus Project US\$4.060,000 plus agency Fee US\$441,000

***Project preparation US\$390,000 plus Project US\$5,000,000

C. SOURCES OF CONFIRMED CO-FINANCING, including co-financing for project preparation for both the PDFs and PPG. (expand the table line items as necessary)

<i>Name of co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Amount (\$)</i>	<i>%*</i>
FSP: IDB Peten Development Program for the Conservation of the MBR (GU-1002)	Multilateral Agency	Soft loan	10,940,000	96.6
PDF-B: IDB Spanish Trust Fund Technical Cooperation (GU-T1018)	Multilateral Agency	grant	360,000	3.1
PDF-B: Government of Guatemala	Governmental	In-kind	30,000	0.3
Total Co-financing			11,330,000	100%

* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY(IES) OR COUNTRY(IES)

* No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

E. PROJECT MANAGEMENT BUDGET/COST

<i>Cost Items</i>	<i>Total Estimated person weeks</i>	<i>GEF (\$)</i>	<i>Other sources (\$)</i>	<i>Project total (\$)</i>
<i>Local Consultants*:</i>				
Executive Director	260	0	185,000	185,000
Executive Assistant	260	0	0	0
Technical Director	260	0	150,000	150,000
Project Specialists (x4)	1040	126,250	364,000	490,250
Technical and Administrative Support Staff	1300	75,000	275,000	350,000
<i>Office facilities, equipment, vehicles and communications**</i>		21.975	180,000	201,975
<i>Travel***</i>		76.775	53.550	130.325
<i>Miscellaneous (Audits, Contingency)</i>			92,450	92,450
Total		300.000	1.300.000	1.600.000

* IDB procurement policies do not provide for ex-ante restrictions on national versus international consultants, but rather distinguishes between publication at the national and international levels, depending on the amounts of the service contracts (see Table IV-1 in the Project Document). It is therefore not possible to disaggregate between national and international consultants.

** Office Space will be provided by CONAP. Other facilities include minimal office furniture (desks, chairs, conference tables, fax machines, printers, computers, network service). Vehicles include one motorcycle and one pick-up truck.

*** Travel represents an average of US\$501,00/month to cover staff travel to and from the project site.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

<i>Component</i>	<i>Estimated person weeks</i>	<i>GEF(\$)</i>	<i>Other sources (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants</i>	1,732	1,152,000	580,000	1,732,000
<i>International consultants</i>	210	420,000	0	420,000
Total	1,942	1,572,000	580,000	2,152,000

Detailed information is provided in ANNEX C and in the IADB Procurement Plan, also attached. The estimated cost per person/weeks does not take into account overhead and travel costs (20% for local consultants and 30% for international consultants).

G. DESCRIBE THE BUDGETED M&E PLAN:

The Project's impacts will be monitored throughout its lifetime using the indicators in the logical framework matrix (see Appendix F). The indicators selected will be used to monitor the ecological and socioeconomic conditions of the reserve (with emphasis on ecological integrity, connectivity, biodiversity, sustainable use and threats), and the impacts of the various conservation and management efforts carried out in the context of its administration. Indicators are also included for monitoring the Project's progress in terms of execution in a manner consistent with the requirements of the GEF and its tools for monitoring its strategic priorities (SP1). The baseline constructed during the preparation of the Petén Development Program for the Conservation of the Maya Biosphere Reserve (PDPRBM) and outcome indicators for the GEF Project will be completed within the first year of the project and consolidated into existing information systems. The monitoring and evaluation system will build on existing initiatives and use the installed capacity of CONAP Center for Monitoring and Evaluation (CEMEC) and the various stakeholders including NGOs involved in the collection and analysis of data on the Maya Biosphere Reserve (MBR). The monitoring and evaluation system will function within Executive Secretariat of CONAP (CONAP) in both CEMEC and the newly established Monitoring and Evaluation Unit as well as shared with partners in management such as the Foundation Defensores de la Naturaleza, World Conservation Society (WCS) and Asociación de Comunidades Forestales de Petén (ACOFOP). The total estimated costs for monitoring and evaluation are US\$400,000 over a period of five years.

A mid-term evaluation will be undertaken once 35% of the GEF resources have been disbursed, so as to allow for, if necessary, adjustments in the approach to execution and/or targets. A final evaluation will also be carried out at the end of the period of Project execution. This final evaluation will include the analysis of lessons learned and a description of the best technical, institutional, and social practices applicable to the future actions for management of the MBR, as well as the most outstanding experiences of restoration and declaration of biological corridors. These evaluations will be guided by the following questions: (i) How is the Project contributing to decentralized and participatory management of the Core Zone (CZ), the biological corridors and special use zones of the MBR; (ii) What progress has been made towards ensuring the financial sustainability of biodiversity conservation and management activities in the MBR; (iii) To what extent have communities internalized and diversified the sustainable use of biodiversity and good practice in its productive activities and what types of socioeconomic benefits are being generated; (iv) Are management decisions being made on the basis of the best available and accurate information; and (v) What are the trends observed in the ecological integrity and biodiversity of the MBR and how is the Project contributing to maintaining them?

PART II: PROJECT JUSTIFICATION

A. DESCRIBE THE PROJECT RATIONALE AND THE EXPECTED MEASURABLE GLOBAL ENVIRONMENTAL BENEFITS:

Created by Legislative Decree 05-90, the MBR is situated in the far north of the department of Petén. It covers 59% of the territory of the Petén and 20% of the territory of Guatemala, and accounts 75% of the Guatemalan System of Protected Areas (SIGAP). The size and location of the MBR shape many of the circumstances that affect its management, including its environmental, social, economic, and security conditions. During the 17 years since the MBR was established, the successive governments have undertaken major efforts to conserve the natural and cultural heritage of the MBR. This task has been complicated by the fact that the MBR is characterized by extremely complex conditions where regional public goods (the Petén forest and its biodiversity, and the archeological heritage of the formative and classic Maya periods) combine with the need to address conspicuous external threats (high immigration, high rates of deforestation and forest fires, unprecedented growth, illegal activities, rigid and inadequate legal and regulatory framework, extreme poverty, unsustainable farming, livestock, and logging practices) in the midst of a complex set of actors (social groups, indigenous peoples, urban population, economic groups, environmental NGOs, holders of forestry concessions, atomized institutions). The

efforts and resources invested in the area, with very few exceptions such as community-based forestry concessions, have had limited success in engaging the local population in conservation and management.

Accordingly, the Government of Guatemala, through the Secretariat for Executive Coordination of the Presidency (SCEP) and the High-level Inter-ministerial Committee created for this purpose, reached agreement with the Inter-American Development Bank (IDB) on a Strategy for Participatory and Inclusive Conservation of the MBR (ECPIRBM). This Strategy will be implemented in part through the PDPRBM (GU-L1002), financed by US\$30 million IDB loan approved by the Bank in 2006. The GEF Project is intended to complement this loan which will lay the foundation for biodiversity conservation by addressing the issues of governance and poverty reduction.

The GEF Project recognizes that the ecological integrity of the MBR as a critical part of the Selva Maya will depend on a substantial improvement of its management effectiveness. To this end, the Project strategy has several distinctive and innovative features including: (i) a regional approach that places the MBR within a broader context of the Department of Peten and addresses the root causes of biodiversity loss and encroachment such as poor coherence in sectoral policies; (ii) a focus on participatory conservation with the aim of communities settled in the MBR becoming, instead of a threatening element, allies of the MBR; (iii) enhanced involvement of municipalities within the MBR in conservation activities; (iv) self-reliance with an emphasis on the horizontal transfer of knowledge and experience among communities and user groups so that they can manage their territories and resources while also reducing conflicts and improving the quality of life of their inhabitants; (v) consolidating and expanding the network of co-administrator organizations in specific parts of the MBR; (vi) capacity building and the promotion of institutional leadership that make it possible for the administrators of the MBR (CONAP and others) to handle the different situations that stem from the direct and indirect influence of the communities settled in or around the MBR; (vii) land use management to ensure a balance between the activities for fostering sustainable production and those associated with protection for the zones of high biological importance; and (viii) a regional monitoring and evaluation system linked to the national monitoring system of SIGAP. These features coincide with the strategic vision of the Government of Guatemala for the MBR as presented in the Strategy for Participatory and Inclusive Conservation.

Three years after the end of the Project, the outcome indicators to measure the level of success considering its purpose of contributing to the conservation of regionally and globally significant biodiversity and conservation of ecological processes are: (i) ecological integrity (as measured by connectivity, area affected by fire and rate of land conversion) is maintained or improved in the MBR (Baseline 2005: 92% area with high or medium connectivity; 1,769,261 hectares of natural vegetation (forests and wetlands); 18% area burned in 2005 and 10% area converted to agriculture between 1986 and 2004); (ii) biodiversity of core zones and biological corridors as measured by Rapid Ecological Assessments is maintained (Baseline PNLT species observed: 130 aquatic plants; 22 reptiles (of 97 listed); 14 amphibians (of 32 listed); 41 fish (of 55 listed); 173 birds (of 256 listed)); and (iii) the number of families living in the MBR deriving at least 35% of their income from environmentally sustainable productive activities and/or non extractive use of natural resources compatible with the objectives of biodiversity conservation has increased by 10% compared to a baseline to be established through a survey in Year 1. (Baseline 2005: 1300 families benefit from sustainable forestry concessions. To be updated in Year 1).

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:

The Project responds to a series of sub-national, national and regional commitments for environmental management and biodiversity conservation. The MBR has a Master Plan for 2001-2006 that was approved through Resolution ALC 031/2001 and is the main document for its management over the medium term. The Master Plan establishes 16 strategic objectives for conservation and management, including reducing the threats to biodiversity, strengthening the institutional framework for biodiversity conservation and addressing fundamental policy considerations such as the promotion of clear land and resource use rights. The proposed Project reinforces each of these objectives and supports their implementation.

Nationally, the current government has attributed special importance to environmental issues in its proposals regarding rural development (Strategic Agenda for Integral Rural Development in Guatemala), on national competitiveness (National Agenda on Competitiveness), and in its Guate Verde program. Guatemala is also a signatory to the International Convention on Biological Diversity and has had a National Strategy for Biodiversity Management since the late 1990s. An important part of its strategy has been the creation of its national system of protected areas (SIGAP) administered by CONAP and of which the MBR represents approximately 75%. The SIGAP establishes Conservation Regions that help optimize the allocation of knowledge and resources within the

system and promote the replication of lessons learned throughout the system. The actions to be financed by this Project are consistent with the policy and strategic lines of SIGAP and incorporate the results of recent evaluations. In addition, the components of the proposed GEF Project fit within the objectives of the Regional Strategy for the Conservation and Sustainable Use of Biodiversity in Mesoamerica endorsed by the Central American Commission for Environment and Development (CCAD).

As part of the process of preparing the PDPRBM (GU-L1002), a Strategy for Participatory and Inclusive Conservation for the MBR (ECPIRBM) was formulated and approved by the Government of Guatemala. The Strategy develops four strategic lines as follows: (a) participatory and inclusive conservation, with a focus on providing market opportunities for the local population as incentives for the sustainable use and management of natural and cultural resources consistent with the legal and regulatory framework in place in the MBR; (b) strengthening of governance, particularly in support of decentralization, enhanced institutional coordination and transboundary cooperation with Mexico and Belize; (c) cultural and environmental management, with a focus on maintaining the ecological and cultural integrity of the MBR, and (d) sustainable production, with a focus on the ZUM and the ZAM. The strategic lines have differentiated approaches based on the particular characteristics of the different zones of the MBR. The proposed GEF Project is designed to support the strategic lines of the ECPIRBM, and as such is consistent with the Government of Guatemala's overall vision for the MBR.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:

This project was formulated during the GEF-3 in accordance with the GEF Biodiversity Focal Area and the Operational Program # 3 Forest Ecosystems, with the aim of: (i) improving the enabling environment for enhancing management effectiveness of the MBR, thus helping it fulfill its purposes of conserving globally important biodiversity and maintaining the ecological integrity of the Selva Maya; (ii) seeking the sustainable use of forest ecosystems through co-management combining production, socio-economic and biodiversity goals; (iii) replicating successful outcomes derived from effective stakeholder partnerships and the experience and learning gained. Similarly, the project is in conformity with the GEF strategic objective BD-1: Catalyzing Sustainability of Protected Areas, established in the GEF Strategic Business Plan. The main reason for choosing exclusively this strategic priority relies in the main purpose of the project, which is to strengthen the ecological integrity and connectivity of the MBR, taking into account that the reserve represents 75% of the national system. Given this coverage, the Project is designed to improve management effectiveness of the MBR as an individual PA while simultaneously having a significant impact on management effectiveness of the national PA system. To foster management effectiveness, the project will support activities eligible under SO1 such as: (a) system capacity building for long-term sustainability in terms of the development of a coherent set of sectoral policies and norms; (b) institutional capacity building of CONAP and partners with an emphasis on co-management for biodiversity conservation; (c) innovative financing mechanisms at the system level; and (d) catalyzing the engagement of communities in biodiversity conservation, including monitoring and evaluation. In addition, there is a strong system-wide lesson sharing and replication element proposed through the national PA monitoring and evaluation unit in CONAP (USEC).

The project will also contribute to the GEF-4 BD strategy by supporting activities relevant for the strategic programs SP1 and SP3. The contribution to SP1 will be through: (a) improved arrangements for co-management in core zones and biological corridors combined with local income generation from ecotourism activities and innovative, non-consumptive use of biodiversity that will serve as mechanisms to lower management costs; and (b) the implementation of the fully endorsed Business Plan for the RBM, consolidating multiple funding sources and thus ensuring financing for the recurrent costs of the management and administration of the Reserve. The project will contribute to SP3 through strengthening the ecological integrity and connectivity of the MBR improving the management effectiveness of 75% of the area covered by the national PA system as mentioned above. This will be accompanied by research and monitoring on the effectiveness of the different types of zones (core zones, biological corridors, multiple use areas).

Contributions to the GEF's strategic targets for biodiversity will be documented through the GEF BD-1 Tracking Tool. The project also responds to the Strategic Plan for the Convention of Biological Diversity (CBD) and its design complies with the ecosystem approach principles, as defined in decision VII/11.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

During Project preparation, an analysis was undertaken of the different initiatives in natural resources management in the MBR over the last 10 years, to avoid duplication of efforts and build on lessons learned.

Collaboration with other projects of the Bank, regional financing institutions, the GEF, and other donors is briefly described as follows:

The World Bank. The GEF Project is expected to benefit from the Land Administration Project, from the WB, in terms of its methodologies and information bases. The Land Administration Project has two components, namely: (i) cadastre and regularization of lands in the southern parts of Petén (excluding the CZ and MUZ of the MBR), and (ii) opening a registry office in Petén to modernize management of the registry files. By targeting land tenure issues in the southern part of Petén, this project is expected to contribute to reduce the migration towards the MUZ and CZ of the MBR, thus reducing pressure on its biodiversity and natural resources. The Japan Development Fund (JDF) of the World Bank is also expected to provide funding for a complementary project to strengthen the forestry concessions in the MBR.

Other GEF Projects: Two GEF projects have recently been carried out in the RBM, from which lessons have been taken: (a) support for the management and protection of the Laguna del Tigre National Park and Biotope (GEF/World Bank), and (b) strengthening of community management in the Bio-Itza Reserve (GEF/UNDP). The results from the GEF/UNDP enabling activity “Definition National Priorities and Assessment of Capacity Building Needs in Biodiversity in Guatemala” have been taken into account, in particular related to biodiversity information management. Monitoring and research activities of the MBR will be integrated with the systems already established by the Regional Program for Consolidation of Mesoamerican Biological Corridor (UNDP/UNEP/WB), which is coordinated by the Central American Commission for Environment and Development (CCAD), and information links will be established with the Inter-American Biodiversity Information Network (IABIN–GEF/WB). Discussions have also been held with UNEP regarding a GEF Project in the pipeline for Sustainable Land Management of the Greater Mopan/Belize River Watershed (GEF/UNEP) extending into the western part of the MBR and aimed at promoting sustainable land practices while improving economic livelihoods. Finally, coordination has also been established with the regional GEF/IDB/World Bank project on Integrated Ecosystem Management in Indigenous Communities, which has Petén as one of several priority sites in Central America.

Other donors: With US\$40 million invested over almost 15 years, USAID has been the cooperation agency with the largest presence in the area, accompanying the incipient environmental institutional framework from the outset. Although USAID has now largely phased out, it continues to promote sustainable production, in collaboration with The Rainforest Alliance. The international NGOs (TNC, CI and CATIE) also have a long track record of involvement, aimed initially at strengthening local organizations, out of which arose Defensores de la Naturaleza in the PNSL, Propetén in Laguna del Tigre, NPV and Centro Maya in the MUZ, and ACOFOP, accompanying the community forestry concessions. Both TNC and CI are currently planning interventions in the GEF Project area, with which coordination is being ensured, mainly to support ecoregional planning processes (TNC) and territorial interventions (support for community projects, field research, basic infrastructure for management) located in the Laguna del Tigre National Park (PNLT) (CI). The World Conservation Society (WCS) is actively involved in monitoring the ecological integrity of the MBR in cooperation with CEMEC and the GEF Project has been designed to complement and build on those activities. The GTZ and the government of the Netherlands have participated actively in financing the Forestry Action Plan, which promoted the process of community and industrial forestry concessions, a sustainable management mechanism that has proven successful. At present, the government of the Netherlands is financing a project for institutional strengthening of the CONAP, with objective of supporting the establishment and initial operation of the Monitoring and Evaluation Unit. Finally, there are a large number of projects with small-scale financing raised directly by environmental or sustainable resource management organizations with bilateral cooperation, or from foundations specialized in environmental funds, biodiversity, aspects related to cultural heritage, or sustainable development actions.

E. DESCRIBE THE INCREMENTAL REASONING OF THE PROJECT:

As described above, support for the conservation and protection of the MBR has been a priority for a number of local and international stakeholders, whose interest and investments in the area have produced positive results. Nevertheless, recent assessments indicate that the Reserve’s forests and wetlands are under increasing pressure from fragmentation and habitat loss, that the local population has not yet been successfully engaged nor strengthened to confront their livelihood challenges in a sustainable manner; and, that serious problems of governance still remain.

The chances of altering the scenario just described are minimal if the approach of past interventions were to remain the same, i.e., focused on specific areas only, or, undertaken in isolation, addressing specific sectors, institutions or interest groups. The current GEF project is an important step in the opposite direction, because not only it aims at

contributing to the *overall* ecological integrity of the MBR and the connectivity of the Selva Maya (global objective), but also because it puts an emphasis on the areas of high biological importance, while paying close attention to issues of governance and participation of interested actors, within a coherent and regional vision for the area.

The Project builds on the Petén Sustainable Development Program (PDSRBM- GU-L1002), a larger and longer investment loan of US\$30 million from the IDB to the Government of Guatemala, which likewise aims at promoting the conservation of the MBR through sustainable use, inclusive and participatory management of natural resources, cultural heritage, tourism activity, and environmental management with a view to improve the quality of life of Petén residents. The Project will complement each one of its key components by means of:

1. Geographical focus. While the IDB Peten project (which complements the GEF project with US\$10,9 million) will focus its activities on the east side, to the Belizean border, the GEF Project will target the core zones, special use zones and biological corridors of the MBR to the Mexican border;
2. Institutional and operational strengthening of National Council of Protected Areas (CONAP), co-administrators, and communities to conserve and manage the resources of the MBR. This will also include municipal institutional strengthening, promoting municipal representation on management committees for core zones, improving mechanisms for co-management in all key areas, and, emphasizing the role of environmental education and skills training;
3. Development of income generating activities based on the goods and services derived from the natural resources and biodiversity of the MBR. The Project will invest in small innovative mechanisms and financial incentives for the sustainable use of biodiversity and promote the diversification of forestry products and low-impact nature-based tourism activities in the Reserve; and,
4. Strengthening local governance. The Project will focus on the design and implementation of policies, regulations, and other instruments for the management of the MBR, which will inevitably tackle issues such as land conflicts, threats control, environmental audits, monitoring aspects, and the generation and systematization of information for adaptive management of the Reserve.

An integrated regional vision for the project site is of great urgency and importance for the country. The GEF involvement will allow social, economic, and institutional aspects of protected area management to be enhanced and at the same time result in local, national and global benefits, including carbon sequestration, and improved management of two Ramsar sites.

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:

The execution of the Project faces several risks that have been analyzed during preparation to identify ways to mitigate them. The main risk is the *limited management capacity and sporadic presence of the institutions* responsible in the MBR. This risk is mitigated by the activities in Component 1, through a combination of capacity building and expansion of co-management arrangements to extend the coverage of management activities in a cost-effective manner. In addition, risks associated with potential delays in execution will be minimized by a gradual sequencing of activities in line with the capacities of organizations that have prior experience with similar projects, early engagement of communities and decentralized management. The *conditions of social and political instability in the MBR* also constitute a risk to the operation. This risk is mitigated by the decentralized governance structure to receive support through the IDB loan and the emphasis on the participation of key stakeholders including the municipalities and Community Development Committees (COCODES) in the project planning, monitoring and evaluation cycle. The *annual budgetary allocation and dependence on government annual funding for recurrent costs* until financial sustainability mechanisms are in place also represents a risk. This risk will be managed through (i) close monitoring of the annual budgetary process to ensure that the required allocation is planned for in advance; (ii) the gradual phasing in of government financing of recurrent costs during project execution and (iii) early endorsement of the Business Plan in Year 1 of the project to leave sufficient time for its implementation. Climate change vulnerability can be a risk for tropical forests and wetlands that are susceptible to droughts and frequent fires such as is the case in the project area. However, the activities proposed by the project are, in fact, projected to increase the resilience and adaptation of natural systems to possible changes in climate conditions (by improving native vegetation protection systems,

reinforcing connectivity, and enhancing institutional capacity to preventing changes in vegetation composition, for example.)

G. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:

Cost-effectiveness in conserving biodiversity is inherent to the Project's strategy as the project area covers 75% of protected areas in Guatemala containing the most extensive broadleaf forest remaining in Central America. It is designed around entities already operating in the MBR such as the CONAP Monitoring and Evaluation Unit and CEMEC (USEC/CEMEC) and it optimizes the allocation of human resources through co-management. An alternative biodiversity conservation solution to co-management with communities settled in the core zones and promotion of productive practices mainstreaming biodiversity conservation in the MBR would be to resettle these communities in areas outside the Core Zones and set up more restrictions for activities in the Multiple Use Zone of the MBR to be enforced by top down 'command and control' measures. However such a solution is neither socially nor economically feasible taking into account the immigration into the area and high number of people already living there (13,000-20,000 in the core zone and around 85,000 in MBR). To obtain cost effective biodiversity protection in the medium and long term the project will support implementation of local land use plans compatible with the MBR zoning, clarification of resource and land use rights and conflict resolution combined with enforcement of the zoning regulation in collaboration with the local population supporting them in alternative activities to improve their livelihoods. In project implementation cost effectiveness is achieved through cost-sharing in project administration with an execution scheme that is fully integrated with the IDB loan for the PDPRBM.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. PROJECT IMPLEMENTATION ARRANGEMENT:

The executing agency for the GEF Project is the Ministry of Environment and Natural Resources (MARN) through CONAP. Given that the GEF Project is part of the PDPRBM, its execution scheme will be completely integrated within that Program. The MARN would therefore assume the full administrative, financial and management coordination responsibilities vis-à-vis the Bank and the GEF for both operations. As a participating agency, CONAP would assume the day-to-day technical responsibility of the GEF Project through an inter-institutional agreement with MARN. The MARN will set up a Program Unit (UP) charged to the funds of the PDPRBM and with technical liaison personnel from CONAP and other participating agencies. This UP will ensure the technical coordination of all activities, be responsible for undertaking and overseeing procurement processes, and will supervise the physical and financial progress of all activities and works for both operations.

This execution scheme includes the participation of other agencies (Ministry of Culture and Sports (MICUDE), Institute for Anthropology and History (IDAEH), Ministry of Agriculture (MAGA) and Guatemalan Tourism Office (INGUAT)) through inter-institutional agreements with MARN. It seeks to strengthen the government's on-going initiatives towards decentralization by providing for the participation of local governments and community organizations in the execution arrangement. To this end, the existing structures such as local governments, the COCODES, and other existing community organizations will be given an opportunity to contribute to the annual planning and review cycle. In addition, the existing Regional Board (Mesa Regional) currently functioning as a participatory consultation forum on development policies affecting the MBR would serve as an advisory body to the UP.

The UP will be headed by an Executive Director (directing the project planning process, serving as liaison among those involved, and overseeing execution of the Program), and a support team (made up of a limited number of technical and administrative support staff) based in Petén. The UP will include two additional positions to be charged to the GEF Project: a deputy Coordinator directly responsible for the GEF Project and a project specialist assigned to the planning and supervision of activities to be financed by GEF resources. Operating Regulations, to be approved by government, will establish the rules and procedures for each component, eligibility criteria for demonstration and pilot projects, the procedures for preparing the Annual Operational Plans (AOPs), procurement procedures, and the methodology for evaluation and monitoring of the AOPs.

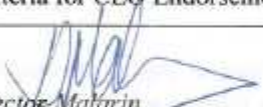
The CONAP, MARN, INGUAT, MICUDE, MAGA, and SCEP will continue to participate in the High-Level Inter-Institutional Committee (CIAN) to be institutionalized by decree to act as an oversight body. To be chaired by SCEP, this Committee will be responsible for inter-institutional coordination on all policy matters related to the project and will be the highest instance of approval of the POA. The Bank will assign responsibility for the

supervision of project execution to its Country Office in Guatemala with backstopping of a specialist from INE/RND at IDB Headquarters in Washington, the latter also serving as contact person with the GEF.

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:

As described in part II point C, this project was formulated during the GEF-3. As a result, it was done in accordance with the project cycle and procedures valid during that period when, instead of a PIF, a PDF-B was required. The final project is consistent with the overall diagnosis and the components suggested in the request for pipeline entry and PDF-B funds. However the GEF project amount has, due to the implementation of the RAF during project preparation, been reduced from USD5.000.000 at pipeline entry and PDF-B approval to USD4.060.000 at FSP approval to USD3.660.000 at Request for CEO Endorsement. The first reduction was made as a consequence of the Government of Guatemala's assignment of the country RAF resources to each of the Biodiversity projects the country had in preparation, when the RAF was first introduced. The second reduction was made as a consequence of the decision to also include the agency project fee under the RAF. The reduction of the GEF financing has been made in the budget for component two (Incentives for the Conservation and Sustainable Use of Biodiversity in the MBR), specifically the investments in nature-based tourism activities, since this component is mainly covered by the IADB loan co-financing, The loan will cover the individual activities no longer covered by GEF and as such the reductions have had no influence on the overall project design.

PART V: AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.	
 Hector Matarin Chief INE/RND, IADB GEF Agency Coordinator	 Michele Lemay Project Contact Person
Date: 08.12.2008	Tel: (01) 202 623 1838 Email: michelel@iadb.org

LOGICAL FRAMEWORK MATRIX

IMPROVING MANAGEMENT EFFECTIVENESS IN THE MAYA BIOSPHERE RESERVE (GU-X1001)

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>GOAL: Contribute to the conservation of regionally and globally significant biodiversity and conservation of ecological processes in the Maya Biosphere Reserve (MBR) while guaranteeing the provision of environmental goods and services that benefit the local population.</p>	<p><u>After 3 years of having completed the Project:</u></p> <ul style="list-style-type: none"> a. Ecological integrity (as measured by connectivity, area affected by fire and rate of land conversion) is maintained or improved in the MBR (<u>Baseline 2005:</u> 1,769,261 hectares of natural vegetation (forests and wetlands); 8% area with low connectivity; 18% area burned in 2005 and 10% area converted to agriculture between 1986 and 2004). b. Biodiversity of core zones and biological corridors as measured by Rapid Ecological Assessments is maintained (<u>Baseline PNLT species observed:</u> 130 aquatic plants; 22 reptiles (of 97 listed); 14 amphibians (of 32 listed); 41 fish (of 55 listed); 173 birds (of 256 listed)¹). c. The number of families living in the MBR deriving at least 35% of their income from environmentally sustainable productive activities and/or non extractive use of natural resources compatible with the objectives of biodiversity conservation has increased by 10% compared to a baseline to be established through a survey in Year 1. (<u>Baseline 2005:</u> 1300 families benefit from sustainable forestry concessions. To be updated in Year 1). 	<ul style="list-style-type: none"> a. Satellite images and field verifications. b. Project records and indicators as compared to socio-economic baseline established before the end of the first year. c. Rapid ecological assessments 	<p>The MBR and its conservation and sustainable development objectives continue to be considered a strategic action of the Guatemalan government. Partnerships are maintained with groups that administer protected areas on the borders (Mexico and Belize).</p>

¹ A Biological Assessment of Laguna del Tigre National Park. CI Rapid Assessment Program. July 2000.

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>PURPOSE: To support conservation management and the sustainable use of biodiversity with an emphasis on areas of high biological importance in the MBR, by strengthening institutional, national, and local capacities to optimize management, thus guaranteeing the effective participation of various stakeholders as partners in conservation.</p>	<p><u>At Project completion:</u></p> <ul style="list-style-type: none"> a. Vegetation cover (in hectares) affected annually by fires (factoring weather conditions) is reduced by 20%. <u>Baseline:</u> 400,000 hectares burned in 2005). b. 100 % area of the core zones and biological corridors with medium or high connectivity (<u>Baseline</u> 2005: Core zone 4% area with low connectivity; Laguna del Tigre-Sierra de Lacandon: 33% area with low connectivity; Mirador-Rio Azul-Laguna del Tigre: 0% area with low connectivity; Tikal-Mirador-Rio Azul 0% are with low connectivity). c. 20% of the recurrent costs for basic operations of two core zones are covered by Special Trust Fund (<u>Baseline:</u> 0% ²) d. 50% increase in technical staff of CONAP and its co-administration partners and 50% of operational staff (park rangers) receive training to manage the MBR in the core zones, corridors and special use zones (<u>Baseline</u> 2006: 374 staff assigned to MBR, 6% technical; 81% operational). e. Average management effectiveness rating of the core zones based on WWF/World Bank methodology (SP 1) improves to 70% by project completion. (<u>Baseline:</u> Average rating of core zones 52%). 	<ul style="list-style-type: none"> a. Satellite imagery b. Records from CEMEC and CONAP. c. CONAP and co-administration organizations budgetary execution reports. d. ETP Annual review reports 	<p>Socio-political situation is stable in the MBR and at the national level, improving conditions for governance of the region and the Reserve.</p> <p>Updated Master Plan is approved and legally defined zones are maintained.</p>
<p>COMPONENT 1: Management capacity building</p>			
<p><i>Activity 1. a: Strengthening institutional capacities for governance in the</i></p>	<ul style="list-style-type: none"> a. The High-Level Inter-institutional Committee (CIAN) is formally created by Year 1 and functions as a mechanism for coordination by Year 2 (<u>Baseline:</u> CIAN is ad hoc). 	<ul style="list-style-type: none"> a. Decree of creation of the CIAN b. Minutes of CIAN meetings. 	<p>Stable socio-political conditions guarantee the dialogue and negotiation spaces with local</p>

² A Trust Fund for Yaxhá National Park was created and started operations in September 2005.

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
MBR	b. At least 75% of the productive projects included in the POA by Year 4 are identified and endorsed by local stakeholders (COCODES, municipalities, NGOs). (<u>Baseline:</u> Local stakeholders participated in identification of Year 1 projects for Component 2.To be updated in Year 1).	c. COCODES minutes. d. Co-administrators group meeting minutes. e. Minutes from public events on structural policies. f. CIAN and ETP minutes and progress reports	stakeholders. Central government initiatives to improve social and productive infrastructure facilitate reaching agreements with local stakeholders.
<i>Activity 1.b: Improve and develop new mechanisms for co-management in core zones, biological corridors, community management units, and other special use areas</i>	a. 15 community forestry concessions with revised and updated contracts at the end of Year 3 (<u>Baseline:</u> APESA evaluation of concessions contracts 2006. None of the contracts have been updated). b. Co-management model for 3 biological corridors is in place by Year 3 (<u>Baseline:</u> Corridors are administered centrally). c. Co-administration agreements for 4 additional core zones updated and implemented by Year 3 (<u>Baseline:</u> Agreements in place for PNSL, PNLT and Mirador-Rio Azul only in 2006). d. 13 cooperation agreements facilitating the execution of operative plans in special use zones (e.g., El Ceibo) implemented by Year 4 (<u>Baseline:</u> Updated agreements exist for 2 special use zones only).	a. Concession contracts b. Co-administration agreements c. ETP Annual Review Reports	The government keeps the protected areas co-administration policy. Various groups (NGOs, municipal governments) are interested in carrying out co-administration activities.///

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Activity 1.c: <i>Strengthening CONAP operational capacity in the MBR</i>	<ul style="list-style-type: none"> a. CONAP Community Relations Unit is in operation and functioning by the end of the Project's second year (<u>Baseline</u>: Unit not operating in RBM). b. Updated or new management plans and operating plans for 7 core zones (parks, biotopes, biological corridors) are being applied by the end of Year 5 (<u>Baseline</u>: Management plans for 3 out of the 7 core zones require updating). c. Control and information posts built and operating in the Laguna del Tigre (2), Sierra de Lacandón (2), and Yaxhá (1) parks and patrol routes are functioning by Project's third year (<u>Baseline</u>: 1 post in existence in El Peru). d. An automated process exists between the One Stop Window (Ventanilla Unica) of CONAP and CEMEC that improves CONAP administrative efficiency by Year 2 (<u>Baseline</u>: Administrative processes are handled manually). 	<ul style="list-style-type: none"> a. ETP Annual Review Reports b. Published management plans c. Progress reports on design, construction, and completion of control and vigilance infrastructure. d. Reports from One Stop Window (Ventanilla Unica) and CEMEC 	Political, legal, social and logistical conditions exist to apply the legal and normative instruments in the MBR.
Activity 1.d: Partnerships with region's formal education sector for environmental education and skills training	<ul style="list-style-type: none"> a. Departmental environmental education committee re-instituted (<u>Baseline</u>: Committee not functioning). b. At least 1000 families participate in environmental awareness events in the MBR and its buffer zone by Project's completion (<u>Baseline</u>: No opportunities exist for families to participate in environmental awareness). 	<ul style="list-style-type: none"> a. Progress reports on environmental awareness and education strategy. b. CISEEA minutes and progress reports. c. Dissemination events and participant lists. 	Media leaders and executives support the need to disseminate information about conservation of the MBR's biodiversity. Young people are interested in conservation of the MBR.
COMPONENT 2: Incentives for conservation and sustainable use of biodiversity			

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Activity 2.a: Small innovative investments for biodiversity use	a. At least 10 (micro) projects based on new opportunities for sustainable use of biodiversity in operation by Year 2. These include projects in multiple use zones (MUZ) and buffer zones (BZ) (<u>Baseline</u> : Limited opportunities exist for innovative biodiversity micro-financing. To be established in Year 1).	a. Minutes and inter-institutional agreements related to the coordination and management of sustainable use projects. b. Progress and/or evaluation reports of (micro) projects under design and execution.	Groups that carry out administrative and natural resource management activities in the MBR establish cooperation agreements to coordinate pre-investment of programs and projects.
Activity 2.b: Diversification of forest products, and training in management aspects in MUZ	a. At least one sustainable diversification and marketing initiative is proven financially viable and adopted by community management units by Year 4. (<u>Baseline</u> : To be established in Year 1). b. Managers of community concessions trained in entrepreneurial and administrative aspects (<u>Baseline</u> : to be established in Year 1 needs assessment).	a. Reports from CONAP b. Concession certification reports. c. CONAP concession operations reports.	Demand for the MBR certified products is increasing. National and international market opportunities open for non-traditional wood and other forest products.
Activity 2.c: Low-impact nature-based tourism activities in core zones, biological corridors and MUZ	a. At least two consolidated nature-based tourism circuits linking core zones and biological corridors have minimum infrastructure (tourist information centers, access) by the end of Year 3 (<u>Baseline</u> : 0). b. At least 5 organized community groups actively participate in the tourist circuits (<u>Baseline</u> : To be established in Year 1). c. At least 100 community members and/or community and private tourism businesses are trained in aspects of low-impact tourism (<u>Baseline</u> : To be established in Year 1)..	a. Service contracts for eco-tourism. b. Cooperation agreements between CONAP and co-administrators that provide services for tourism. c. ETP on-site inspection reports	Service provision firms maintain their interest in MBR natural resources and include them as tourist attractions.

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<i>Activity 2.d: Incentives for sustainable agriculture activities in appropriate areas</i>	a. At least 100 families implement at least one sustainable agriculture practice in their parcels and/or home gardens in MUZ and special use zones by the completion at the end of Year 4 (<u>Baseline</u> : To be established in Year 1).	a. Training reports and participant lists from dissemination and training events. b. Reports from training events and demonstration tours.	The socio-political conditions of the Region allow the establishment of cooperation agreements between CONAP, and municipal governments.
COMPONENT 3: Design and implementation of policies, regulations and other instruments for management			
<i>Activity 3.a: Supporting the resolution of land use conflicts in the MBR</i>	a. At least 40% of the land conflict cases <u>within the MBR</u> are resolved by Year 4 (<u>Baseline 2005</u> : 127 conflicts were registered by the Office of San Benito which serves the MBR municipalities) ³ . b. Limits and boundaries of the core zones, concessions, and community management units are delimited on maps and in the field by the completion of the Project (<u>Baseline</u> : Boundaries are unmarked in the field). c. Studies on land use reassignment inside Sierra de Lacandón National Park (PNSL) boundaries are completed and are being applied in a participatory fashion by Year 3 (<u>Baseline</u> : There is no correspondence between 2006 land use patterns and PNSL management plan). d. At least two national parks and one biological corridor have been legally incorporated in the National Land Registry at the completion of the Project (<u>Baseline</u> : None of the parks or corridors are registered)..	a. FONTIERRAS AND CONTIERRA records. b. Boundaries of existing demarcations verified on site. c. RIC records and Jurisdictional Property records.	Rules and procedures approved and implemented by RIC and other groups formalizing land ownership (cadastre, land registry).
<i>Activity 3.c: Support the environmental audit and compliance monitoring performed by judicial officials in the MBR</i>	a. At least four strategic law enforcement cases are in process of resolution by the Office of the Public Prosecutor for Environmental Offenses in the Petén Region by the beginning of Year 4 (<u>Baseline</u> : To be established in Year 1).	a. Files and records of Office of the Public Prosecutor for Environmental Offenses in the Petén b. Law enforcement files in	National and regional political will exists to support the implementation of the resolutions of the Office of the Public Prosecutor for

³ Land conflicts are understood as disputes over the possession and right to use lands due to overlapping boundaries and survey markers, discrepancies between registered surface area and occupied area, or invasions, all of which create ambiguities relating to land ownership. CONTIERRA reports, as of 2005,

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
		records of courts with jurisprudence in cases of illegal land occupations in the core zones, biological corridors, and MUZ in the MBR.	Environmental Offenses in the Petén.
Activity 3.d: <i>Implementing financial mechanisms for the sustainable use and conservation of biodiversity</i>	<ul style="list-style-type: none"> a. A document updating the economic value of the Reserve's environmental services and a proposal for PES by the end Year 1 (<u>Baseline</u>: Study on economic value of PNLT). b. 75% of recurrent costs of management activities in the MBR are covered through a combination of national budget and financing mechanisms by Year 4 (<u>Baseline</u>: Budget covers only 30% of recurrent cost needs). c. MBR Business Plan that includes finance mechanisms for at least three core zones (ex: Trust Funds in PNSL: Piedras Negras, PNLT: Guaca Perú Site) is designed, the approval process started in Year 2 and implemented by Project completion (<u>Baseline</u>: Mechanism in place in Yaxha). 	<ul style="list-style-type: none"> a. Basic studies on the economic value of environmental services of MBR ecosystems. b. Progress reports on the implementation of the Business Plan, including Trust Funds for core zones and the conservation incentives program. 	<p>Economic and fiscal policies allow the design and approval of financial mechanisms oriented to the conservation and sustainable use of MBR biodiversity.</p> <p>Local actors are willing to participate in PES plans.</p>
COMPONENT 4: Strengthen the generation and use of information for adaptive management of MBR			

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Activity 4a: <i>Consolidating and improving the exchange of information for MBR management</i></p>	<p>a. An inter-institutional agreement for information exchange on the subject of biodiversity and associated resources is operating by Year 2 (<u>Baseline</u>: No agreement exists in 2006).</p> <p>b. At least two monitoring reports on the socio-economic situation in two core zones (PNLT and PNSL) by Year 4 (<u>Baseline</u>: Reliable quantitative data on the socio-economic situation of core zones does not exist).</p>	<p>c. Letter (s) of understanding and/or technical cooperation agreement between groups that generate information on biodiversity and aspects related to the Reserve.</p> <p>d. Research reports on aspects of social conflict (case studies, thesis).</p> <p>e. CONAP information media.</p> <p>f. Progress report on implementation of Social Communications Strategy in the MBR.</p> <p>g. Web page and other media with information on Project activities and progress reports.</p>	<p>Various organizations are interested in contributing information for systematizing and evaluating models of biodiversity conservation management.</p> <p>Communication media disseminate information.</p> <p>Various projects and groups in the region and internationally are interested in exchanging information.</p>
<p>Activity 4b: Establishing the monitoring and evaluation system .</p>	<p>a. Monitoring and evaluation system is generating reports on overall status of the MBR by the end of Year 2 (<u>Baseline</u>: CEMEC reporting system covers biophysical indicators).</p> <p>b. Annual results of the monitoring and evaluation system are taken into account in the preparation of the POA and for making strategic decisions related to adaptive management of the MBR by Year 2 (<u>Baseline</u>: Comprehensive performance monitoring and evaluation data are not available for management decisions).</p>	<p>a. Project semester reports and reports from the MBR Monitoring Unit (CEMEC and Project Coordination).</p> <p>b. CONAP reports evaluating management effectiveness.</p> <p>c. CEMEC biological monitoring reports and others</p> <p>d. Minutes from National Committee for Biological Monitoring.</p>	<p>Institutional interest exists for participating and contributing information for monitoring and evaluation purposes.</p>

OBJECTIVES, OUTCOMES AND ACTIVITIES	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<i>Activity 4c: Developing a research agenda for biodiversity conservation.</i>	a. At least 5 regional research projects on adaptive management, consistent with a locally endorsed research agenda and supported with logistical resources, yield results by Year 3 (theses and dissertations) (<u>Baseline</u> : There is no research agenda for biodiversity conservation for the MBR or program to promote its implementation.)	a. Minutes from researcher meetings and participant lists. b. Theses/dissertations of undergraduate and graduate students. c. CONAP records.	Scientists and other research programs in the area are interested in contributing to the exchange and dissemination of research results. Project resources are a catalyst for other financing opportunities for research on adaptive management.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF)

a) COUNCIL

Council Member Comment 1: Despite a clear identification of the development of the oil industry as one of the main threats for the biodiversity conservation of the MBR core zones, the proposal seems to lack a clear strategy to address and counteract this threat. The harmful effects of the oil grants in the core zones, particularly the National Park Laguna del Tigre, are well mentioned in different parts of the proposal. These threats refer on one hand to the pollution process and on the other hand to the consequent pressure on biodiversity, generated by the opening of roads and ways and its associated colonization process. Are the permissions for the oil exploration and exploitation really compatible with the principles of biodiversity conservation in an area classed as “under absolute protection to allow for natural process to evolve without intrusion from human activity”? (see for example page 3, article i of the executive summary). It seems that the project proponents didn’t raise this kind of question. There is a lack of a concrete strategy to address this threat, despite its clear identification in the threat analysis. On the contrary, instead of addressing the threat, the proponents seem to be interested in the oil royalties which are considered as one of the future options of the financial mechanism to assure the long-term financial sustainability of the MBR conservation. Thus, there seems to be a conflict of interests between addressing the threat of oil exploration and exploitation to biodiversity and assuring financial sustainability of the mechanism to conserve biodiversity.

ExA Response 1: The Government of Guatemala authorized the development of the oil industry within the Laguna del Tigre territory before it was declared National Park, and it is widely acknowledged that there is an incompatibility between this economic activity and the objectives and classification of the protected area. That is precisely the reason why this activity was highlighted as one of the main threats to biodiversity conservation. In order to partially address this, the oil exploration and exploitation follows the regulations presented in the Law of Hydrocarbon (Ley de Hidrocarburos), which allows the exploration and exploitation of oil in the Multiple Use Zones and Buffer Zones, but explicitly forbids it in the Core Zones (with the exception of some particular sites where these activities were performed before Laguna del Tigre was declared National Park and are now circumscribed within specific zones as established in the National Park’s management plan). The GEF project will contribute to complement incrementally the Governmental actions, specifically through some activities considered in components 1, 2 and 3. Before describing them briefly, it is worth noting that besides the oil industry, three other threats described in the document are also harmful for the conservation of biodiversity in the Reserve (fires, land conversion and unplanned human settlements). The presence of unplanned human settlements is of particular importance and assessed as the main driving force to rapid land use change and biodiversity losses. In this context, the rationale behind the project intervention is to address root causes through activities in each component of the project, with the understanding that, if these root causes are tackled properly, the related threats will be addressed as well. Given this underlying principle, the first and second activity of component 1 aim respectively to strengthen institutional capabilities for enhancing the governance of the Reserve and develop new mechanisms for the co-management of biological corridors that involve the participation of community organizations and the private sector (such as productive companies). The whole set of activities of component 2 aims to support the development of sustainable alternative livelihoods for income generation of inhabitants in the buffer zones, so that incentives for abandoning non-sustainable activities are enhanced at the same time that illegal migration is discouraged. Similarly, three of the four activities of component 3 directly complement the Governmental efforts previously mentioned, taken into account that their implementation will provide the following results: (i) clear land use rights in the community polygons; (ii) clarify the legal status of the biological corridors (including Laguna del Tigre); and (iii) update and harmonize sectoral policies in order to serve as disincentives to activities that threaten the conservation (i. e. oil industry). We consider that following the strategy presented at the end of page 6⁴ of the GEF Executive Summary, and through the combined action of the activities already described, the project can contribute to mitigate the undesirable effects of the oil exploration and exploitation that takes place in this fragile territory, but whose negative effects on the conservation of biodiversity

⁴ See also Project Strategy in paragraph 1.44 page 15 of the Project Document - [http://gefweb.org/uploadedFiles/Documents/Council_Documents_\(PDF_DOC\)/GEF_31/IDBDOCS-750466-v3-GEF_Project_Document_\(English\)\(1\).pdf](http://gefweb.org/uploadedFiles/Documents/Council_Documents_(PDF_DOC)/GEF_31/IDBDOCS-750466-v3-GEF_Project_Document_(English)(1).pdf)

can be ameliorated with the previous intervention. With regards to the potential conflict of interest in including oil royalties as one of the possible options of the financial mechanism, it is also important to clarify that this is part of a broad menu of options that will eventually be subject of a detailed analysis and negotiations during the formulation of the business plan (Component 3). The financial strategy for the Reserve was designed as a critical part of the project and it was endorsed by the Government. It encompasses the conciliation of institutional arrangements between CONAP, INGUAT, IDEAH, MEM, MAGA, MINFIN and others, to cover the revenues not captured that come from –eventually but not exclusively– the Fund for the Development of Hydrocarbons, among several other sources. Indeed Table 1 of Annex G ⁵ describes 10 potential sources of financial sustainability, and Oil Royalties are just one of them. The main issue here is that given the fact that the oil industry is being developed affecting the Reserve’s resources, the option of using part of its revenues that otherwise would be allocated to other ends (not necessarily related to biodiversity conservation) is not considered as contradictory, but the opposite: it could be the best course of action. As presented in the above mentioned Annex, if approved, those funds will be administered either by the Municipalities or by the Governmental Institutions in charge of the Protected Areas, but with specific allocations aimed to support measures for conserving biodiversity.

Council Member Comment 2: Despite the efforts made with the definition of the project outcome indicators, the proposal fails to take advantage of its own and well-described technical and scientific baseline information. Annex H, applying a detailed methodology, which is described in its pages 47-49, shows a value indicator (3) of the MBR ecological integrity, which involves 6 key conservation elements. These elements include different kinds of forests, wetlands, and the ‘*panthera onca*’ (as umbrella specie). However, none of them is further used in the project proposal as an outcome indicator. It is regrettable that this kind of baseline information is left out; it could in future help to better evaluate the project impact on the ecological integrity of the MBR.

ExA Response 2: It is true that the methodology described in Annex H shows a value indicator (3) of the MBR ecological integrity, and this value comes from 6 key conservation elements. Although the information value for each of these indicators is not reflected in Table 1 of Annex F (Monitoring and Evaluation Plan), other indicators based on the SMART ⁶ guidelines were chosen for measuring the ecological integrity, particularly % of area with low connectivity, % of area burned and % of area converted to agriculture. It doesn’t imply that the impact on the ecological integrity of the MBR will not be evaluated at its best, but it reflects that during the process of formulation, it was evident that the indicators described in the Monitoring and Evaluation Plan (not the ones presented in Annex H) were the most appropriate and cost-effective for measuring the ecological integrity, considering the accessibility to information, the economies of scale, and the possibility of involving some of the key institutions and stakeholders in their estimation. Finally, this would by no means diminish the accuracy of the measurement.

Council Member Comment 3: Incremental result 2: (i): innovative micro-projects demonstrating the sustainable use of biodiversity: More information about the reasons, objectives and type of the micro-projects.

ExA Response 3: The objectives, type of micro-projects to be financed and procedures will be described in detail in the Operative Regulations Document that is currently under development alongside the Government of Guatemala as a part of the project appraisal stage. The reason for this ‘joint’ preparation is that the micro-projects will be financed by the IDB loan that the Government of Guatemala has taken for matching the required counterpart funds. Besides the micro-projects, there are three other activities⁷ that all together form the component 2 and look for addressing at least two of the five described root causes: (i) the one related to the fact that poverty is prevalent within the MBR as evidenced by the reliance on subsistence agriculture, limited or non-existent access to basic services, illiteracy rates and absence of secure land and resource use rights; and (ii) the other that aims to modify the limited involvement of the Government of Guatemala in assuming its responsibilities for financing –at least in part– the management of the MBR, considering that the centralized administration of the

⁵ See [http://gefweb.org/uploadedFiles/Documents/Council_Documents_\(PDF_DOC\)/GEF_31/10-23-06%20IDBDOCS-806711-v2-Annexes_GU-X1001.pdf](http://gefweb.org/uploadedFiles/Documents/Council_Documents_(PDF_DOC)/GEF_31/10-23-06%20IDBDOCS-806711-v2-Annexes_GU-X1001.pdf)

⁶ Specific, Measurable, Achievable, Relevant, Targeted, following the guidelines presented in The GEF Monitoring and Evaluation Policy (see http://www.thegef.org/MonitoringandEvaluation/MEAbout/documents/Policies_and_Guidelines-me_policy-english.pdf pg. 18).

⁷ Diversification of forestry products and entrepreneurial training for the administration of concessions; low-impact nature-based tourism activities and tourism circuits in the CZ, biological corridors and MUZ; and incentives for sustainable agricultural activities in appropriate areas. 22

scarce resources hinders local participation and management adapted to the social and biophysical conditions of the Reserve. Although the Operative Regulations Document has not been finalized yet, it is possible to advance that the objectives of these micro-projects are —among others— to diversify the local economy, generate new income and by doing so, stabilizing encroachment onto protected ecosystems with important biodiversity value, which at the same time will contribute to limit the pressure on the remaining forest. It is expected that these micro-projects will fulfill environmental and socio-economical sustainability criteria such as technical and financial feasibility, compatibility with land use zoning, demonstration value, replicability, and timeliness. The key issue is that the micro-projects will be screened for financing with a view of providing opportunities for improved sustainable sources of income for the local population and serving as a catalyst for biodiversity conservation. Finally, the type of projects to be financed are: non-timber forest products, reintroduction and reproduction of native plants and wildlife; value added to raw materials produced under certified processes (lianas, seeds), xate nurseries and plantations under natural forest cover; crafts using little-known timber species; and innovative ecotourism support services.

Council Member Comment 4: Component 2: (iv) incentives for the conservation and sustainable use of biodiversity; incentives for sustainable agricultural activities: Considering that the special trust fund is foreseen to cover just the 20% of the basic operation of two core zones, we expect further explanations on how these incentives will be maintained after the project ends.

ExA Response 4: It was never expected that the activities that encompasses component 2 –including incentives for sustainable agricultural activities in appropriate areas— would be financed with the resources from the Special Trust Fund. What was expected is that the activities potentially financed under this activity –as well as all other activities under component 2— will fulfill the criteria described in the answer to comment 3 (above), which embraces –among others— technical and financial feasibility. The fulfillment of later implies a sustained cash flow that would act as the main driver (incentive) for continuing the execution of these activities considering the given conditions such as type of product according to the ecological conditions of the site, size of market, used technology and so forth, taken into account the environmental considerations stated in the Operative Regulations Document. The Bank’s experience confirms that the sustainability of these types of activities depends more on the permanent income derived from their execution than on the external financing. Besides, the resources obtained by the operation of the Special Trust Fund were planned to be used specifically for covering at least the 20%⁸ of the recurrent costs of the core zones, which doesn’t imply that this percentage could not be increased in the future.

b) GEF SECRETARIAT⁹

GEFSEC Comment 1:The [endorsement] letter has been provided at pipeline entry. However, a government letter is required to reconfirm the priorities under GEF-4 (also refer to financing section below).

ExA Response 1: Annex D includes the latest endorsement letter dated May 30, 2006 received by the IDB from the operational focal point, Mr. Juan Mario Dary F., Minister of Environment and Natural Resources. The cover page of the GEF Executive summary has been updated to reflect this. In addition, the IDB received a copy of an email to the GEF CEO with a letter dated August 24, 2006 signed by the operational focal point restating the priorities under GEF 4. A copy of this letter is included in Annex J.

GEFSEC Comment 2: The project could well fit with the Bio Strategic Objective One, however the justification provided in the document is unclear. Please provide explanation regarding the fit with the SO1.

IDB Response 2: As explained in the GEF Executive Summary (Section 1(a)), the Maya Biosphere Reserve (MBR) accounts for 75% of the Guatemala National System of Protected Areas (SIGAP) and is representative of lowland humid broadleaf forests and wetlands of global significance. Given this coverage, the Project is designed to improve management effectiveness of the MBR as an individual PA while simultaneously having a significant impact on management effectiveness of the national PA system. To foster management effectiveness, the project will support activities eligible under SO1 such as: (a) system capacity building for long-term sustainability in terms of the development of a coherent set of sectoral policies and norms for protected areas and their buffer

⁸ This amount has to be taken as a benchmark.

⁹ The comments from the GEF Secretariat and the Responses are the same as the ones submitted at the time of Work Program inclusion.

zones (Component 3 (ii) and Incremental result #3); (b) institutional capacity building of CONAP and partners with an emphasis on co-management for biodiversity conservation (Component 1 (ii) and (iii) and Incremental result #1); (c) innovative financing mechanisms at the system level (Component 3 (iv) and Incremental result #3); and (d) catalyzing the engagement of communities in biodiversity conservation, including monitoring and evaluation (Component 1 (ii) and Component 4 (ii)). In addition, there is a strong system-wide lesson sharing and replication element proposed through the national PA monitoring and evaluation unit in CONAP (USEC). Complementary text has been added to paragraph 1.45 of the project document and the GEF Executive Summary.

GEFSEC Comment 3: The project is based on and is designed to reinforce the objectives and activities identified under the MBR Master Plan for 2001-2006. Considering that the GEF project may not start until 2007, what is the plan after 2006. How far has the Master Plan been implemented and achieved by government ownership to date? What has been the lesson learned?

ExA Response 3: An updated version of the Master Plan is under preparation and is expected to come into effect by mid-2007. Until that time, the existing plan remains in effect. The updated version of the Master Plan will introduce adjustments in the the 2001-2006 Master Plan. Major accomplishments have included the implementation of a strategy for the commission on fire prevention and control, land use planning of the MUZ as a basis for the forestry concessions, management plans for the National Park units in the MBR and policies on low-impact tourism and non-timber products. Communications channels between CONAP and NGOs such as TNC, CI, WCS, FDN, Rain Forest Alliance and ACOFOP have also been established. As stated in paragraph 1.22 of the project document, one of the main challenges for implementing the 2001- 2006 Master Plan has been setting realistic targets in light of rapid land use changes and existing capacity for management. The new Master Plan under preparation is expected to place more emphasis on both achievable targets that can be closely monitored and in institutional capacity building. The GEF project reinforces these two aspects. Other lessons learned from the Master Plan have been that there are significant linkages between the various zones (the CZ, MUZ, and BZ) and that these cannot be managed independently. Instead, a coherent strategy is needed to divert pressure away from the core zones by providing sustainable economic opportunities in southern Petén and in the buffer zone as well as sustainable natural resource use compatible with ecosystem management in the MUZ. This is the strategy adopted by the Project. Another lesson learned has been that mechanisms are needed to build consensus on sustainable use of biodiversity in the vicinity of core zones. The GEF project incorporates this lesson learned by building the capacity of CONAP to manage the consensus building process and the formulation of cooperation agreements with communities. While the basic zoning is not expected to change in the updated Master Plan, CONAP plans to clarify the rules and instruments for natural resource use in the biological corridors. The Project will help implement these rules and instruments. The text in paragraph 1.22 of the project document has been expanded to include this complementary information.

GEFSEC Comment 4: Among the 30 million loan from the IADB, 10 million has been identified as cofinance to this project. What is the focus of the rest of the IDB project. Please provide a brief explanation.

ExA Response 4: Additional activities to be financed by the remaining US\$20 million loan include the following: Component 1: Sustainable Management of Natural Resources and the Environment: (a) management support to four PA complexes south of the MBR (411,000 ha); (b) interventions outside PAs, both in the BZ of the MBR and in the southern part of Petén. Includes financing to diversify sustainable productive activities with an emphasis on families living in extreme poverty with a view of stabilizing the agricultural frontier; (c) pollution control and water quality monitoring in the watershed of Lake Petén Itza (immediately south of the MBR). Component 2: Enhancement of Archaeological and other Tourism Sites: Includes financing for: (a) restoration and rehabilitation of archeological sites (Ixlu and Ceibal); (b) small-scale infrastructure for nature-based and cultural tourism circuits. Component 3: Institutional strengthening: Includes strengthening of local organizations such as the COCODES and local tourism committees, implementation of the municipal action plans, operational decentralization of line agencies such as MARN and INGUAT and a public awareness program on the benefits and environmental services provided by the protected areas of the Petén. The text in paragraph 1.49 has been expanded to include this complementary information.

GEFSEC Comment 5: The project has a significant component of incentive creation for conservation and sustainable use. Please confirm that these environmental sound production activities are suggested based on²⁴

sound market analysis and feasibility studies. Please also clarify what measures are considered to ensure that these activities will indeed stabilize encroachment onto protected area ecosystems and not become another income generation/rural development activity.

ExA Response 5: For the preparation of the Program (both the loan and the GEF project), detailed designs and feasibility analyses were undertaken for a representative sample of activities and pilot projects (i.e., non-timber forest products, ecotourism)(see paragraph 2.10 of project document). In addition, an exhaustive market study including an econometric model of demand was undertaken for nature-based and cultural tourism in the MBR (Tourism Development Strategy, PDSRBM, Mazars 2006). Measures taken to ensure that actions stabilize encroachment include: (a) eligibility of activities to be financed differentiated by geographic zones of the MBR, with a broader range of productive opportunities to be promoted by the loan in the southern part of Petén to divert pressure away from the reserve and more stringent requirements for the MUZ and the CZ; (b) formulation of cooperation agreements with communities to ensure sustainable use of biodiversity consistent with MBR zoning; and (c) monitoring and evaluation of the results of the pilot projects to be financed.

GEFSEC Comment 6: It is suggested that a trust fund will be developed for the reserve for sustainable financing. It is understood that GEF is not providing any financing for the trust fund itself but support for developing the business plan to design such a fund. Please also refer to the GEF trust fund evaluation document and checklist for useful design tips and lessons learned.

ExA Response 6: GEF Evaluation Report #1-99. Experience with Conservation Trust Funds and GEF Lessons notes no. 5 and 6 were consulted during the preparation of the financial sustainability analysis presented in Annex G. A reference to that effect has been added to the project document in paragraph 2.19. In addition, the approach to developing the business plan will be adjusted to specifically incorporate the checklist for establishing and operating trust funds. Moreover, the Latin American and the Caribbean Net for Environmental Funds (REDLAC, according to its Spanish acronym) has produced several studies documenting the experiences of a number of Funds throughout LAC. These experiences will be taken into account during the process of the fund design, considering that their effectiveness depends on the adequate identification of the most appropriate type of financial arrangements, according to the characteristics of the site where the Fund will be established. In addition, recent experiences as those developed in Ecuador (in consolidation phase) and Colombia (recently started) – among others – will be closely studied (including interviews with their Executive Directors), considering that both Funds were created with the aim of acting as the main financial mechanism for the long-term sustainability of their respective Protected Areas' System.

GEFSEC Comment 7: Responding to the question raised during pipeline entry regarding land conflicts, the project has incorporated activity to determine the legal and registry status of these lands. Considering that more than 300 conflicts are currently occurring in these areas, how realistic is it to expect that the land use will be clarified and reach the project target during the project implementation period. As this is a critical issue to ensure conservation initiative, further clarification would be useful.

ExA Response 7: The target has been clarified to specify that 40% of land conflict cases in the MBR will be clarified (approximately 50 cases over 4 years) along with the incorporation of the various zones (core zones and biological corridors) in the National Land Registry. The proposed approach is to develop practical experience within CONAP so that this experience can be replicated on a broader scale. This will complement but not duplicate the initiatives of several institutions addressing land tenure issues in the Department of the Peten (as mentioned in the project document paragraph 1.19). In addition, the proposed GEF project will support the formulation of community natural resource use agreements ('cooperation agreements') in areas that are settled but where titles cannot be issued by law (i.e., core zones) in accordance with the Policy of Human Settlements in Protected Areas.

GEFSEC Comment 8: The project is suggested for five years. Please clarify the indicative starting and ending dates of the project preparation and implementation.

ExA Response 8: Project preparation (loan and GEF project) began in February 2005. Preparation of the GEF project ended in June 2006. Preparation of the IDB loan is expected to end in November 2006. Assuming CEO

endorsement one month following work program inclusion, implementation of the GEF project would begin in April 2007 and end in April 2012.

GEFSEC Comment 9: Please kindly clarify any innovative measure in the project design and implementation.

ExA Response 9: Some of the innovative features of the proposed GEF project are described in paragraph 1.44 of the project document. Innovative measures include: (a) the emphasis on the ecological integrity of the MBR as a system within the Department of Petén; (b) linking biodiversity conservation activities in the field with the promotion of a coherent policy framework for sectors associated with root causes of biodiversity loss; (c) the enhanced involvement of municipalities of the MBR with conservation activities; (d) the promotion of institutional leadership and accountability on the part of CONAP working in cooperation with its partners; (e) the emphasis on cost-effectiveness; and (f) a regional monitoring and evaluation system linked to the national system of monitoring management effectiveness of the national system of PA. See also IDB response 15 and 16 below.

GEFSEC Comment 10: A potential trust fund with US\$4.5 to US\$6.5 million is expected at the end of project to cover recurrent management costs of the reserve. The to manage the reserve and also future financing plan.

ExA Response 10: As stated in paragraph 1.25 of the project document, CONAP financing for the MBR amounts to US\$1.78 annually. To this financing, an additional estimated US\$300,000 can be added from MARN. An indicative future financing plan appears below. This will have to be confirmed during the preparation of the Business Plan during the first year of the project.

Source	2007	2008	2009	2010	2011
CONAP	1,800,000	1,900,000	2,014,000	2,134,000	2,262,000
MARN	300,000	350,000	406,000	470,000	545,000
Trust Fund			100,000 ¹⁰	150,000	225,000

GEFSEC Comment 11: As the project involves indigenous communities and territories, please confirm with adequate documentation that adequate consultation has been made and prior consent has been received from the various stakeholder consultation activities that have been implemented during the project preparation, based on the IADB indigenous policy and strategy as well as GEF public participation policy.

ExA Response 11: Consistent with the directives of the IDB Indigenous Peoples Policy, the project has mainstreamed indigenous specificity by identifying and targeting indigenous peoples that could benefit from the program, conducting socio-culturally appropriate and effective consultations, incorporating traditional knowledge and cultural heritage in program activities, and promoting participation in natural resources management. To this end, an in-depth socio-cultural analysis and a complementary socio-economic analysis were undertaken as the basis for the stakeholder participation process¹¹. These studies showed that the ancestral peoples of the MBR (the Itza) are concentrated in the municipality of San Jose with communal land located in the Bio-Itza reserve. In other municipalities, indigenous peoples (Q'eqchi, Ch'orti and others) have migrated from southern parts of Guatemala in recent decades. The two studies enabled the IDB project team to identify key local organizations (including indigenous representatives) that needed to be consulted and involved in project design. In addition to interviews during field visits, the consultation process involved a combination of meetings in Flores and small isolated towns in proximity to rural communities where local problems related to natural resource use were analyzed and basic characteristics of the project were selected. A workshop to develop in a participatory manner the logical framework for the program was held in May 2005. In addition three community workshops were held in September 2005 to develop the components and activities of the program. The aide-memoire of these workshops has been added as documentation (Annex K). Local indigenous groups identified various activities that have been included in the program including: (a) promotion of sustainable traditional production systems in the MUZ and BZ (polyculture, backyard gardens, medicinal plant cultivation, bee keeping); (b) organizational strengthening for income-generating activities associated with the nature-based and cultural tourism circuits; and (c) the development of a living culture museum ('museo vivo') where indigenous culture, traditional arts and knowledge

¹⁰ Corresponds to 20% of estimated recurrent costs.

¹¹ Report on social actors of the MBR. Luis Jose Azcarate. March 2004; Socio-economic analysis. Improving Management Effectiveness of the MBR. Abt Associates. February 2006.

can be shared. Finally, the Bank was recently informed that a new unit is being established within CONAP for the coordination with indigenous peoples and civil society. This unit will help ensure effective participation of indigenous peoples in the national PA system (SIGAP) including the MBR.

GEFSEC Comment 12: Commitment letter from the government has been provided dated May 2006. GEFSEC is yet to receive letter from the government confirming the priorities under the GEF-4 under the RAF. The letter is required, which confirms that this project is indeed identified as priority before WPI.

ExA Response 12: See Response 1 above.

GEFSEC Comment 13: It is not clear when the IADB loan is expected to start (identified as one of the risk in the proposal). Please clarify.

ExA Response 13: Since submission of the GEF Project on September 27, the Government of Guatemala has officially requested the appraisal mission for the loan now scheduled for approval by late December 2006. Loan implementation would start in May 2007 with some activities such as recruitment of the Project Unit beginning as early as March 2007.

GEFSEC Comment 14: Please kindly provide information based on the most updated format for GEF Project Executive Summary. According to the new format, the project cost, project management budget and consultants tables need to be provided.

ExA Response 14: The information has been added to the GEF Executive Summary.

GEFSEC Comment 15: There have been two GEF projects already implemented in the project sites, including the Laguna del Tigre National Park and the Bio Itza Reserve. Although it is noted that lessons learned from these projects have been incorporated, it is not very clear what has been learned from these projects and why the new project is still required. Please clarify.

ExA Response 15: Lessons learned from the previous GEF Projects are summarized in paragraph 1.54 of the project document. The two previous GEF projects focused on individual core zones and did not place these core zones in a more integrated regional vision of the MBR and Petén as a whole. The proposed GEF project complements the achievements of prior projects by introducing new elements such as: (i) a multiinstitutional dimension (embodied in the High-Level Inter-Institutional Committee - CIAN) bringing together sectoral agencies responsible for policies in the MBR; (ii) a greater involvement of municipalities in conservation decisions; (iii) a greater emphasis on a set of coherent policies, including for the petroleum and agricultural sectors; and (iv) addressing system-wide issues such as the capacity of CONAP to work with partner organizations to ensure management effectiveness. The proposed GEF project is also distinctive from previous projects in that it couples the incremental biodiversity conservation component in the MBR with a relatively large loan that contributes to the sustainable baseline scenario.

GEFSEC Comment 16: As noted in the document, there have been large investments in the project site, including USAID that has investment more than US\$40 million in the past 15 years. What is this GEF project going to be different from the past and ongoing initiatives, particularly to ensure impact and sustainability of the initiatives? Please kindly provide further information.

ExA Response 16: The proposed GEF project builds on the achievements of past projects (i.e., the community-based forestry concessions) but incorporates several distinguishing features that contribute to the impact and sustainability of the initiatives. Among the most notable features are the following:

- (a) Past projects have tended to focus on a single conservation unit (i.e., a core zone or the MUZ). The proposed GEF project coupled with the IDB loan take on a more comprehensive regional approach that places the MBR within a broader context and addresses some of the root causes of the biodiversity loss and encroachment that threaten it as a system of PAs. The synergies between the GEF project and the loan are meant to contribute to a lasting impact in terms of institutional capacity building, strengthening₂₇

of the national PA network, demonstration and replication of new approaches to co-management and co-administration.

- (b) Past projects had limited linkages with the national policy context. The proposed GEF project and loan have contributed to the official institutionalization of the High-Level Inter-Ministerial Commission (CIAN) through a government decree. CIAN is meant to serve as a forum to ensure regular, informed exchanges between agencies that have jurisdiction on the MBR to ensure coherence in sectoral policies. CIAN, which includes the Ministers of Environment and Natural Resources, CONAP, Energy and Mines, Agriculture and Tourism, participated in the preparation of the loan and GEF project and are expected to play a strategic role in developing the Business Plan for sustainable financing, and ensuring that the project attains its regional vision. Addressing these root causes of biodiversity loss at the policy level contributes to the impact of the project.
- (c) The support to the full spectrum of the governance structure of the MRB and adjoining zones to the south is a new feature of this operation. The capacity building directed at the COCODES, the municipalities, AMPI, MARN, INGUAT and the Regional Round Table along the strengthening of CONAP and its partners will contribute to its institutional sustainability.
- (d) Clarification of the registry status of land within the MBR including demarcation of the various zones is an activity that has not been undertaken in previous projects. The World Bank Land Administration project only financed the delimitation of the outside boundary of the MBR and the cadastre of lands to the south. According to CONAP and as far as we know, this proposed GEF project is the first initiative to address land tenure security within the MBR, including the registration of core zones and biological corridors which is one of the root causes of biodiversity loss.
- (e) The development of the Business Plan as a unified sustainable financing mechanism will ensure the sustainability of the program. This will contribute to the sustainability of the MBR as an integrated system.

c) REVIEW BY EXPERT FROM STAP

STAP Comment 1: *Integration with the country's general policies and planning strategies for the MBR region.* One of the strong points of this project is its vision of integrated management for the whole MBR region. It would be desirable therefore to include a section showing how this proposal is connected with the overarching country's vision and policy in the MBR region.

ExA Response 1: The country's overarching vision and policy in the MBR is embodied in its Master Plan for 2001-2006 and the Strategy for Participatory and Inclusive Conservation for the MBR developed through the PDSRBM (GU-L1002) and endorsed by the High-Level Inter-Institutional Committee for the MBR. The document has been adjusted to provide more information on how the proposal is connected with both the Master Plan (paragraph 1.22) and the Strategy for Participatory and Inclusive Conservation (paragraphs 1.32 and 1.44).

STAP Comment 1(a): *Regional vision and strategy.* In the document entitled "Analysis de last amanitas y causas intrinsic de la podrida de Biodiversidad en la Reserva de la Biosfera Maya" (Table 17, page 69) it is stated that lack of a national vision and strategy is one of the key threats for the region ("en la agenda política nacional no existe una vision regional ni una estrategia conjunta intersectorial para la conservación y desarrollo armónico de la Reserva de Biosfera Maya"). If this is the case, then the issue should be considered in more detail in the document.

ExA Response 1(a): The Government of Guatemala has made some headway with the formulation of a regional vision and strategy for the MBR during the synchronized preparation of the PDSRBM and the GEF project. As mentioned above, the High-Level Inter-Institutional Committee for the MBR has endorsed the Strategy for Participatory and Inclusive Conservation as its overarching vision. To make further gains in attaining this regional vision, the PDSMBR and the GEF project call for the following actions: (a) strengthen the overall governance structure of the RBM by building the operational capacity of regional sectoral offices (MARN, INGUAT, CONAP) and local governments so that they can work together towards implementing the joint regional strategy for sustainable development of the MBR; and (b) promote the formulation coherent inter-sectoral policies, regulations and other normative instruments through the work of the High-Level Inter-Institutional Committee which is being formally instituted by decree.

STAP Comment 1(b): *Potential financing mechanisms.* In Annex III, “Bases para un plan de negocios” (Tables V-1 and V-2), it is shown that most of the potential financing sources considered have either low political viability and-or low exclusivity in the use of these resources. These statements suggest lack of commitment and/or coordination with other government sectors, particularly in the area of financing. Even if this is understandable to some degree, such apparent lack of commitment weakens the coherence of this proposal, which in the end has the endorsement of the country’s authorities. Moreover, this (apparent at least) lack of commitment may affect indicators of long-term sustainability of the project.

ExA Response 1(b): The proposal recognizes that the establishment of the portfolio of financing mechanisms will require a systematic negotiation process that will be led with the High-Level Inter-Institutional Committee and the Ministry of Finance. In subsequent discussions with the Government, the Ministry of Finance has reaffirmed its commitment to make the necessary budget allocations to the Program for recurrent costs while the negotiations take place on the Business Plan.

STAP Comment 1 (c): *Revenues from the tourism and oil sectors.* There is no indication about the possibility of re-investing in conservation and sustainable development those resources generated by tourism in the area. Given the increasing volume and economic significance of tourism in the MBR, it seems that the point should be addressed in more detail.

ExA Response 1(c): Tourism-related fees (airport fee, park entrance fees, park concessions, border-crossing fees) were one of the sources examined in the course of analyzing the financial sustainability of the Project. Annex G (Financial Sustainability analysis) provides a detailed analysis of these different tourism-related fees, including projected revenues, administrative costs and viability. Discussion is also provided of royalties. See also paragraphs 2.19 and 5.3.

STAP Comment 1(d): *Land-use planning.* It would be useful to show the interconnection between land-use and development planning as being perceived and implemented by CONAP and other government sectors in the MBR, particularly in relation with the three main conservation areas (ZN, ZAM, and ZUM). Key aspects include road planning and development, as well as economic incentives for rural and urban development. These questions are crucial for an area where the development frontier is still expanding, and, therefore, provide a small time-window for integrated, long-term planning. Moreover, these aspects should be also considered with regards to municipal and regional planning actions considered in the proposal. As a suggestion, a coordinating organism at the ministerial level could be considered, as implemented in Costa Rica.

ExA Response 1(d): The PSDRBM (GU-L1002) foresees several land-use related activities that will reinforce the link between the Master Plan for the RBM that establishes the basic zoning framework and development planning. As part of preparing the loan, an Indicative Functional Land Use Plan was prepared for the region showing infrastructure and basic services needs in relation to biological corridors and core zones. The loan also includes funds for the preparation of urban land use plans (POU) for the five municipalities with territory in the RBM. As mentioned above, the High-Level Inter-Ministerial Committee for the RBM already exists to coordinate sectoral policies and programs that affect land use in the RBM. This Committee is being formalized to ensure its sustainability (see paragraph 4.6).

STAP Comment 2: The national and international tourism sector appears as one of the main stakeholders (at least in terms of economic significance) for the region. From the documentation provided, it appears that the sector’s involvement in the project is limited. I suggest including more details about this topic. For example, in the general description of the area, there is no indication about the economic significance (for example, annual income) of the sector in the MBR. In my opinion, the growing trend for valuing natural services (including landscape), adequately mentioned in the project’s objectives, could be applied in the case of local tourism, besides charging entrance fees to the Parks.

ExA Response 2: The information on the economic value of tourism in Peten overall has been added to the revised version document. Information on the economic value of tourism in the RBM is sporadic but estimates have been provided of value based on experience in Tikal (see also below). See paragraph 1.18.

STAP Comment 3: *Urgent actions needed.* Both in the main document and in the Annexes it is stated, on several occasions, that some rapidly developing changes (fires, park invasions, land-ownership issues, deforestation, immigration, etc.) imply a serious and urgent threat to the MBR. If this is the case, it would be possible (and within GEF's criteria) to add a series of urgent issues in the working plan. As framed, the project activities do not reflect the need for urgent actions, in contrast with what emerges from the background information. For example, the provided information suggests that availability of adequately trained park guards is extremely low, and therefore insufficient for implementing concrete, on the ground actions. Please notice that this comment is just a suggestion.

ExA Response 3: The components related to the strengthening of the operational capacity of CONAP in the RBM (Component 1, paragraph 2.6), supporting the resolution of land conflicts, and norms and regulations for controlling threats (Component 3, paragraphs 2.16, 2.17 and 2.18) are all urgent actions responding to the threats and root causes presented in Section H of the document. The linkages between threats, root causes and actions have been reinforced in the revised version of the document.

STAP Comment 4: *Information use and adaptive management.* The document provided includes under this item the following objectives: a) to integrate and disseminate information about the socio-economic relationships and conservation activities under different co-administration mechanisms, b) to establish a monitoring system (performance and impact) (tracking tools), and c) to design and implement a research agenda for natural and cultural aspects connected with biodiversity conservation. A total of 1. 1.,305,000 US\$ is assigned.

The document proposal provides little information about the characteristics of each item (specific goals, methodology, etc.). Taking into consideration the substantial amount of funding assigned (financial resources that compete with other very important priorities listed in the diagnostic analysis), it would be desirable that more information was provided. More specifically, the following items should be answered in more detail: 1) what is the goal, the target, and the mechanisms used for objective a?; 2) a more detailed justification for the funds assigned to the monitoring system, c) regarding the research agenda, who will be in charge of the design and implementation of the research activities? Is such a research agenda within CONAP mission and objectives?. What would be the role played by other academic and research institutions, both national and international?. A key question to be answered is to what extent CONAP' should take the responsibility of dealing with research and monitoring, instead of promoting a collaborative scheme with local and regional academic institutions. This second alternative could be far more profitable in terms of long-term, regional capacity building. Another reason for expanding justification of the proposed activities under this section is that in general, the Latin American experience with government agencies implementing long-term research and monitoring activities has not been totally encouraging (in my perception at least).

ExA Response 4: We agree with this observation. Funds for this component have been reduced and the approach modified where CONAP will play a more collaborative role with academic and research institutions (see paragraphs 2.22, 2.23, 2.24).

STAP Specific Comment 1: Ecological importance of MBR (page 4, 1.9.) It is stated here that the ecological integrity of the MBR is endangered and requires human intervention. Please give more details if possible that allow proper understanding of the statement. Include also specific references to the literature sources.

ExA Response to specific comment 1: The results of the ecological integrity and connectivity analysis conducted during the preparation of the project have been added to the revised document along with the supporting documentation (see paragraph 1.11).

STAP Specific Comment 2: Economic context (page 5-8). I suggest providing information about the economic significance (say in annual figures) of tourism in the region.

ExA Response to specific comment 2: We agree. According to statistics maintained by INGUAT, revenues from tourism to the Peten overall were estimated at US\$14 million in 2004. Revenues from Tikal specifically were estimated at US\$1 million. Direct employment in tourism (hotels, restaurants, guides) was in the order of 10% of₃₀

the active population in Flores and Santa Elena. This information has been added to the revised document (see paragraph 1.18).

STAP Specific Comment 3: Economic sustainability (page 33). Under 5.12, it is stated that 50% of the requested funding will be dedicated to finance recurrent activities. Further sustainability beyond the project's life would require a substantial increase in CONAP's budget. It is stated that the problem will be analyzed with CONAP and MINFIN seeking for a solution to the problem. As mentioned before, this statement suggests that there have been no previous, inter-agency interactions between these government agencies, and therefore there no concrete commitment by them . The present proposal would be much more consistent if at least some formal, positive indication from the above mentioned agencies was presented.

ExA Response to specific comment 3: Since the earlier version of the project document, the Bank has conducted discussions with the Ministry of Finance, MARN and CONAP on the sustainability of the program and the implications for recurrent costs. The Ministry of Finance has subsequently committed to ensuring that the budget resources would be available to cover recurrent costs in CONAP's budget during an IDB mission held in June 2006 (see paragraphs 5.3 and 5.4).

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT:

<i>Position Titles</i>	<i>\$/ person week</i>	<i>Estimated person weeks</i>	<i>Tasks to be performed</i>
For Project Management		3120	
Executive Director	711	260	Planning, coordination, and control of program related activities in Components I, II, III and IV
Executive Director Assistant	480	260	Management Assistance for supervision and monitoring of program related activities in Components I, II, III, and IV
Technical Director	576	260	Coordinates team of project component specialists and prepare reports to convey data and information for planning process.
Project Specialists (x4)	350	1040	Plan, coordinate and control each project component activities; preparing workplans, and ensuring full coordination with other project component specialists.
Financial and Administrative Support Staff (x5)	269	1300	Act as administrative resource person, follow-up and monitoring of activities, like as, organizing meetings, preparing reports on results of meetings; maintain financial records, develop financial reports as required.
For Technical Assistance			
Local			
Component I - Total	1000	296	
Concession Contracts Specialist		72	Review, evaluation, updating and establishment of concession contracts (special land use zones); adaptation and expansion of concession contract templates for conservation services (ecotourism, transportation, guides, etc).
Conservation Management		36	Coordination and implementation of co-management agreements in core zones of MBR
Conservation Area Specialist		36	Design and implementation of new instruments and mechanisms for biological corridors co-management efforts.
Protected Area Specialist		24	Design and implementation of land-use plans.
Institutional Development		128	Institutional capacity building programs and methodologies for CONAP for Protected area management; Training and capacity building of CONAP; Capacity building for design and implementation of environmental education programs.
Component II	1000	418	
Sustainable Productive Systems Specialist		162	Data gathering, analysis and evaluation of sustainable production experiences and opportunities that could be replicated in the MBR. Technical Assistance for production communities. Dissemination and sistematization of sustainable production practices.
Institutional Capacity - Tourism Specialist		104	Strengthen civil society institutions or organizations participation on sustainable development management activities (concessions, community management areas, private reserves, coadministration); Training and capacity building for ecotourism activities within the MBR.
Project Finance Specialist		52	Technical Assistance and project financing assistance for eligible projects.
Ecotourism Specialist		100	Creation of tourism committees (Carmelita, Paso Caballos, Uaxactun); Ecotourism circuits establishment and promotion.
Component III	1000	660	
Land Titling Specialist		104	Design and management of land property database to support land conflict resolution processes; Design and execution of a MBR forum for land conflict resolution.
Conservation Area management specialist		104	Coordination and program support for the establishment of cooperation agreements for special use zones within the MBR

Institutional Development Specialist		364	Strengthen: legal department of CONAP; CONAP's forestry management standards; judiciary institutions with knowledge, interpretation and application of environmental legal norms; monitoring and supervision activities of environmental police; environmental justice program design and implementation; Strengthen supervision and monitoring of environmental crimes in the MBR.
Protected Area Management Specialist		52	Design and implementation framework for special use norms and regulations; study and design of conservation incentives for the population living within the project's impact area; design and implement financial mechanisms, including incentive systems comprising of PES and other financial mechanisms to support the implementation of the MBR
Economist		36	Evaluation of MBR contribution to regional and national economy.
Component IV	1000	358	
Conservation Specialist		180	Baseline update; research agenda prioritization; ecologic evaluation core zones and biological corridors; best conservation practices; Design and implementation of research agenda; Evaluation and sistematization of best practices for the sustainable use of natural resources.
Data and Communication Management Specialist		178	Design Information Data Gathering and Publication Systems for the MBR project ; communication strategy. Coordination and dissemination of information about the MBR.
International	2000	210	
Conservation Specialist		210	Determination and demarcation of special social and ecological areas within the MBR; Rapid Ecologic Evaluation of core zones and biological corridors.

OBS.: Average numbers are presented for \$/person week and do not take into account overhead costs.

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PDF-B OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PDF-B ACTIVITIES UNDERTAKEN.

The PDF-B objective has been achieved through the activities undertaken. Through participatory methods the consultancy financed by the PDF-B delivered all key inputs to the FSP design including GEF and IADB required annexes based on the analysis established in the PDF-B project concept document. A list of studies and analysis undertaken can be seen at: <http://envr.abtassoc.com/rbm/documents.html>.

B. DESCRIBE IF ANY FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION.

Nothing additional to Part II.F

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PDF-B ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

Project Preparation Activities Approved	Implementation Status	GEF Amount (\$)				Co-financing (\$)
		Amount Approved	Amount Spent To-date	Amount Committed	Uncommitted Amount*	
Threat and Root Cause Analysis	Completed	40,000	62,896	0		
Legal, institutional and socio-economic analysis	Completed	90,000	60,228	0		
Assessment of Information systems for biodiversity conservation	Completed	30,000	24,663	0		
Analysis of lessons learned in biodiversity conservation in MBR	Completed			0		40,000

Detailed tourism study including identification of options for low impact tourism activities	Completed					125,000
Identification of projects for productive diversification	Completed			0		45,000
Identification of pilot sustainable financing mechanisms	Completed	45,000	38,516	0		
Public participation and outreach	Completed	50,000	57,626	0		30,000
Design and formulation of the Full Sized GEF Project including an incremental cost analysis	Completed	95,000	87,262	0		150,000
Total		350,000	331,190	0	18,810	390,000

* Uncommitted amount should be returned to the GEF Trust Fund. The US\$ 18,810 will be setoff against transfer of fund request from Trustee in accordance with IDB –Trustee Financial Procedures Agreement.