



**PROJECT EXECUTIVE SUMMARY  
REQUEST FOR COUNCIL WORK PROGRAM INCLUSION  
UNDER THE GEF TRUST FUND**

**GEFSEC PROJECT ID:** 2687  
**IA/ExA'S PROJECT ID:** GU-X1001  
**COUNTRY/IES:** Guatemala  
**PROJECT TITLE:** Improvement of Management Effectiveness in the Maya Biosphere Reserve (MBR)  
**GEF IA/ExA:** IADB  
**OTHER PROJECT EXECUTING AGENCY/IES:** N/A  
**DURATION:** 5 years  
**GEF FOCAL AREA:** Biodiversity  
**GEF STRATEGIC OBJECTIVES:** BDrev-1  
**GEF OPERATIONAL PROGRAM:** OP3  
**PIPELINE ENTRY DATE:** February 2005  
**ESTIMATED STARTING DATE:** December 2007  
**ESTIMATED CEO Endorsement:** September 2007  
**IA/ExA FEE:** US\$441,000

FINANCING PLAN (\$)		
	PPG	Project*
<b>GEF Total</b>	350,000	4,060,000
<b>Co-financing</b>	(provide details in Section b: Co-financing)	
GEF IA/ExA	360,000	10,940,000
Government	30,000	
Others		
<b>Co-financing Total</b>	390,000	10,940,000
<b>Total</b>	740,000	15,000,000
Financing for Associated Activities - if any:		
USAID	1,700,000	
Conservation International	900,000	

**CONTRIBUTION TO KEY INDICATORS IDENTIFIED IN THE FOCAL AREA STRATEGIES:**

The Project will contribute to the following targets and performance indicators established for Biodiversity (BD-1): (i) approximately 75% of Guatemala's protected area system will be strengthened by improving and expanding co-management arrangements to areas of high biodiversity value within the Maya Biosphere Reserve, the largest protected area in Central America; (ii) 2,112,949 ha of the Biosphere Reserve will be protected, of which 814,324 ha is designated for strict protection and includes two Ramsar sites (Laguna del Tigre National Park and Yaxha-Nakum-Naranjo National Park); (iii) approximately 23% of the Project funding will be directed towards capacity building with special attention to local communities; (iv) overall management effectiveness of the Maya Biosphere Reserve is expected to increase 20% against a baseline scenario by the end of the project.

**Governments Endorsement Registry:** (Operative Focal Points)

*Guatemala:* Juan Mario Dary F., Minister of Environment and Natural Resources (May 30, 2006)

Approved on behalf of the IADB. This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for work program inclusion.

IA/ExA Coordinator  
Janine Ferretti

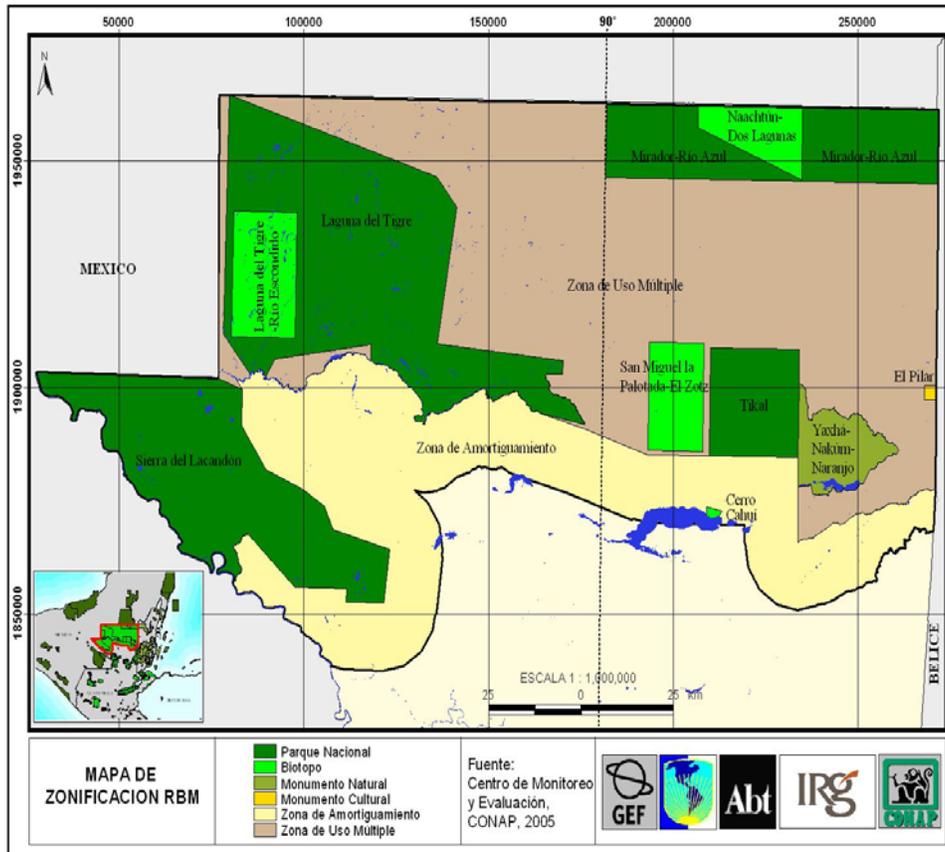
Project Contact Person  
Michele Lemay  
E-MAIL: [michelel@iadb.org](mailto:michelel@iadb.org)  
phone: 202-623-1838

Date: March 20, 2007

## 1. PROJECT SUMMARY

### a) Project Rationale, objectives, outputs/outcomes, and activities.

The Maya Biosphere Reserve (MBR), established in 1990 by Government of Guatemala Decree 05-90, was created to: (i) conserve the biodiversity and maintain the ecological integrity of the Selva Maya; (ii) conserve and sustainably use the reserve's cultural and archeological heritage; and (iii) ensure broad public participation in the management and use of the reserve's natural resources and cultural heritage (2001-2006 Master Plan for the MBR). Spanning 2,112,940 ha of the northern part of the department of Petén, the MBR is Central America's largest protected area and the core of the most extensive broadleaf tropical forest reserve in Mesoamerica (the Selva Maya). As such, it plays an important function in the connectivity of the other natural areas that constitute it, and thus allows for the functioning of unique ecological processes that determine the survival of species that need extensive areas as habitat.



The Reserve encompasses approximately 75% of the Guatemalan System of Protected Areas (SIGAP) managed by the National Council for Protected Areas (Consejo Nacional de Areas Protegidas –CONAP).

Three zoning categories were created within the MBR to conserve and manage its cultural and natural resources:

- i) **Core zones (CZ)** (767,000 has.; 36% of the MBR). Incorporating national parks and biotopes, are the heart of the Reserve and, by law, are areas under absolute protection to allow for natural processes to evolve without intrusion from human activity. The core zones of the Sierra del Lacandon and the Laguna del Tigre National Parks, however, have additional categories of land-uses within them to accommodate historic human settlements within the core areas of the parks.

Maya Biosphere Reserve – Core Zones	# of has.
<b><i>Biotopo Protegido Laguna del Tigre – Río Escondido</i></b>	<b>45, 168</b>
Naachtún - Dos Lagunas Protected Biotope	30,719
San Miguel - La Palotada (El Zotz) Protected Biotope	34,934
Cerro Cahuí Protected Biotope	650
Mirador - Río Azul National Park	116, 911
Laguna del Tigre National Park (PNLT)	289,912
Sierra del Lacandón National Park (PNSL)	202,865
Tikal National Park	55,005
Yaxha - Nakúm - Naranjo National Park	37,160
El Pilar Natural Monument	1,000

- ii) **Multiple use zones (MUZ)** (848,440 has.; 40% of the MBR) These are areas where a number of conservation and sustainable extractive resource uses are permitted. They, in turn, are divided into three protection and use categories. Community and industrial forestry concessions are located within the areas designated as *sustainable managements units*. Biological corridors provide physical links among the core areas of Laguna del Tigre and El Mirador National Parks, and Tikal and Rio Azul National Parks. The Special Use Zones are designed to provide strict protection to unique ecosystems such as the wetlands found in the northern and eastern regions of Laguna del Tigre National Park.
- iii) **Buffer zones** (497,500 has.; 24% of the MBR) designed to alleviate development pressures on the protected areas, land use in buffer zones allows for productive activities compatible with broad conservation and management objectives of the MBR.

The MBR safeguards a diversity of natural ecosystems, many of which are unique and significant regionally due to their uninterrupted extension. Lowland dense humid broadleaf forest covers approximately 53.6% of the protected area (11,240 km<sup>2</sup>) and, while it occurs outside the MBR, it is only within its boundaries that such a large extent of this vegetation type is protected. Also included are relict mangroves (the most inland occurrences of mangroves in the Yucatán Peninsula), rare mollusk-based reefs harboring unique assemblages of invertebrates, caves, ‘cenotes’ and the greatest concentration of freshwater wetlands in Mesoamerica. Two sites have been recognized as wetlands of international significance pursuant to the Ramsar Convention – Laguna del Tigre and Yaxha-Nakum-Naranjo National Parks. The MBR also protects a high diversity of plant and animal species, with over 40 species of mammals, 256 species of resident or migratory birds, 97 species of reptiles, 32 species of amphibians and 55 species of fish. As the heart of the Selva Maya Forest which itself is reported to contain 8-12%

of the world's biodiversity, the MBR performs an important function of connectivity with other neighboring natural areas in southern Petén, the Calakmul Biosphere Reserve and Montes Azul Reserve in Mexico and the Rio Bravo Conservation Area in Belize. This makes it feasible for keystone species such as jaguars (*Panthera onca*), pumas (*Felis concolor*), tapirs (*Tapirus bairdii*) and scarlet macaws (*Ara macao*) to have sufficient habitat to survive and reproduce. The forests and wetlands of the MBR provide immeasurable added value as regulators of the hydrological cycle maintaining erosion and sedimentation in check. Although the biomass of the MBR is older (and therefore less productive), a recent study conducted to quantify the potential for carbon sequestration in five forestry concessions in the MBR indicates that in an area equivalent to 14% of the MUZ there was a potential to reduce emissions in 716,061 tons of CO<sub>2</sub> equivalent over a period of 25 years.

Culturally the MBR is internationally recognized as the principal settlement of the Mayan culture from 2000 B.C. to 1,000 A.D. Vestiges of this ancient civilization, found in many parts of the MBR testify to the splendor of the Mayan culture during the first millennium, particularly evident in Tikal National Park -- a World Heritage Site. Today the population of the Maya-Itza indigenous group with strong cultural ties to the forest, and the Maya -Q'eqchi group with its rich spiritual heritage are evident throughout the region. This combination of cultural and natural heritage makes the MBR a unique place, recognized globally by UNESCO as one of 391 Biosphere Reserves.

The Petén Department has an area of 35,854 km.<sup>2</sup> and represents one third of the country. It is the department with the highest territorial extension and the smallest on population density with 10 people per square kilometer. An estimated total of 85,000 people live in the MBR, of which an estimated 13,000 to 20,000 live in the core zones. The Sierra del Lacandon National Park (PNSL) and the Laguna del Tigre National Park (PNLT) both encompass communities and cooperatives established during the colonization process promoted by the Guatemalan State beginning in the 1960s and more recent settlements established along the route to El Naranjo, when the oil companies built the access road to petroleum production areas located in the PNLT. All the communities grow corn or maize as their main crop, using shifting "slash and burn" cultivation. A total of 15 forestry concessions are located in the MUZ, covering a total of 560,000 ha, with a natural forest cover close to 98%. The forest harvest directly benefits approximately 7,000 persons who are members of 1,300 families. Tourism is a relatively recent economic sector in the MBR that has been growing in importance particularly in the central portion of the Reserve. In this zone, Tikal National Park currently receives 215,629 visitors each year and these numbers are expected to reach 310,000 visits in 2015. The Yaxhá-Nakum-Naranjo National Park currently draws some 15,000 visitors per year with numbers expected to reach 174,000 visitors yearly in part as a result of intense promotion in the international media

An analysis undertaken during the preparation of this Project indicates that, although the ecological integrity of the Reserve is good, there are several problems that could lead to its fragmentation and to irreversible losses in biodiversity. The predominant threats to biodiversity conservation are as follows:

**Fires:** Fires and their effects on natural vegetation cover and associated fauna are closely monitored in the MBR. In 2003, CEMEC reported that 398,000 ha of forests and/or wetlands were burned or approximately 19% of the total area of the MBR. In the PNLT alone more than

40% of the total area was affected by fires. While the frequency of fires is closely associated with cycles of droughts, other human-related factors such as unsustainable land use practices also contribute to the threat.

**Conversion to unsustainable productive uses:** The agricultural frontier is rapidly advancing in the MBR, placing direct pressure on the core zones and biological corridors. An estimated 10% of the total area of the MBR was converted to agricultural uses between 1986 and 2004. Conversion rates were significantly higher in the cores zones (6%) than in the MUZ (2%). The expansion of agricultural uses has followed road corridors in the vicinity or within PNSL and PNLT. Unsustainable practices such as cattle ranching and the excessive use of agrochemicals are prevalent along these corridors, leading to encroachment on forests and potential contamination of aquatic ecosystems.

**Unplanned human settlements:** Along with the advance of the agricultural frontier, population growth and migration to the Peten further threaten the ecological integrity of the MBR. The situation is particularly alarming in PNLT, where the number of settlements grew from 13 communities in 1999 to 42 communities<sup>1</sup> and numerous smaller agglomerations in 2003, leading to increased land use conflicts, the absence of solid and liquid waste management, illegal activities such as poaching and illegal logging, contamination and other related threats. Rapidly changing land use has widened the gap between the official zoning scheme for the Reserve as established in the 2001-2006 Master Plan and reality on the ground, further aggravating conflicts over land and resource use.

**Oil industry:** Petroleum development constitutes an additional challenge for biodiversity in the MBR, particularly for PNLT where rights to explore for petroleum have been granted in approximately 55% of the area. While the direct effects of the operations are unknown, an analysis of tissue samples of two species of fish in PNLT showed evidence that individuals collected close to one of the oil wells and at varying distances were stressed, possibly due to exposure to contaminants such as heavy metals, chlorinated hydrocarbons, arsenic and other compounds.<sup>2</sup>

The analysis undertaken during the preparation of this project confirmed that these threats are the result of several inter-related causes related to socioeconomic conditions, policy issues and institutional capacity.

**Marginalization of the population and insecure rights to land and resource use:** Poverty is prevalent in 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. Socioeconomic surveys conducted in the region have highlighted the important influence of poverty and food insecurity on land use strategy<sup>3</sup> and have concluded that farmers ability to reduce pressure on forested areas through the adoption of more intensive (and sustainable) practices is constrained by weak market conditions and prices, low levels of farmer organization, lack of secure land and resource use rights, and limited sustainable alternatives livelihoods.

---

<sup>1</sup> The Status of Conservation of the Laguna del Tigre National Park. Tropico Verde. 2003

<sup>2</sup> A Biological Assessment of Laguna del Tigre National Park, CI Rapid Assessment Program. CI and others. July 2000.

<sup>3</sup> Food security and land use deforestation in Northern Guatemala, Avrum Shriar, Food Policy. 2002.

**Absence of fully-endorsed integrated conservation strategy with a regional vision:** While considerable funds have been invested in conservation initiatives in the last decade, they have tended to be undertaken in isolation without a view to the overall ecological integrity of the MBR. Land use and management plans, where they exist, have had limited support from local stakeholders, including municipalities. While information exists on the status and trends within the MBR, it has not been used effectively to develop management strategies that adapt to the changing conditions of the Reserve.

**Poor coordination and regional development policies that are incompatible with the conservation of biodiversity:** Coordination among institutions responsible for specific sectors (agriculture, energy, tourism) has been absent, limited or even contradictory often leading to conflicting stances on how resource management and development should take place in the MBR. Underlying economic interests (e.g., cattle ranching, petroleum production) have driven the formulation of policies that do not mainstream biodiversity conservation. While several cooperation agreements exist between institutions with jurisdiction over the MBR, there is limited capacity to ensure compliance with these agreements.

**Insufficient resources and capacities for biodiversity conservation.** The limited operational capacity of the Regional Office of SECONAP<sup>4</sup> in Petén is not sufficient for it to adequately administer the MBR. SECONAP and the other institutions that share management responsibility lack the trained personnel, instruments and systems for adequate control and surveillance of the MBR (including the prevention and control of forest fires), to follow-up on plans, solve land-use conflicts that arise, including the legal processes for recovering illegally occupied territories, as well as expedite administrative procedures faces severe constraints that, when combined, threaten the ecological integrity of the MBR, particularly in the CZ and biological corridors.

**Lack of a sustainable source of financing for biodiversity conservation:** With few exceptions, conservation initiatives depend primarily on external project financing that cannot support the recurrent costs of routine management functions such as monitoring, fire prevention and control and surveillance. This dependency of external sources acts as a disincentive for the Government to assume its responsibilities for financing –at least in part– the management of the MBR. In addition, the centralized administration of the scarce resources hinders local participation and management adapted to the social and biophysical conditions.

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

---

<sup>4</sup> SECONAP is the Executive Secretariat of the National Council on Protected Areas (CONAP) and the entity responsible for administering the MBR.

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 (SECONAP 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.

The Government of Guatemala has requested a US\$30 million loan from the Inter-American Development Bank (IDB) for the Petén Development Program for the Conservation of the MBR (PDPRBM GU-L1002). Of this US\$30 million loan currently under preparation (see Section 5(a) Core commitments), US\$10,940,000 is destined to co-financing of the GEF Alternative. The proposed GEF project is intended to complement the components and activities of the loan Program with a view to improving management effectiveness of the MBR as a complete system, thus adding incremental global benefits from the conservation of biological diversity in the forest ecosystems. A special emphasis is given in the GEF Project to the **zone to the west of the 90° meridian** based on the following considerations: (i) its biological and ecological importance, including ecosystem and species diversity; (ii) the concentration of protected areas including the two most extensive national parks within the Reserve (Laguna del Tigre and Sierra de Lacandon National Parks), one of which is a declared Ramsar site; and (iii) the level of threat faced in this portion of the Reserve

The **development objective** of the GEF Project is the conservation and sustainable use of the biodiversity of the MBR, with an emphasis on the areas of high biological importance, based on the strengthening of institutional capacity and effective participation of different interest groups so as to optimize its management. The **specific objectives** are to: (i) strengthen the institutional arrangements needed for the effective, sustainable, and participatory management of biodiversity in the MBR; (ii) foster the sustainable use of biodiversity in the MBR; (iii) support the implementation and monitoring of policies, standards, and other instruments for managing the MBR; and (iv) contribute to the generation and administration of information for the adaptive management of the MBR. The **global objective** is to contribute to the ecological integrity and connectivity of the Selva Maya, a region highly significant for the biodiversity of Mesoamerica. The proposed project consists of four components as described below.

***Incremental Result 1: Institutional arrangements and overall capacity for biodiversity conservation are strengthened:*** The Project will have the following main results: (i) existing mechanisms for co-management such as the forestry concession contracts in the MUZ and the co-administration agreements in the core zones will be improved, consolidated and extended to new areas including special use zones; (ii) the co-management model for the biological corridors in execution and providing new economic opportunities for local residents; (iii) Community Relations Unit of SECONAP in operation and facilitating the implementation of Cooperation Agreements and land use plans with communities settled in the core zones and other provisions of the Policy on Human Settlements, thereby helping to reduce conflicts over resource use and biodiversity conservation; (iii) technical and operational capacity of SECONAP and cooperating

agencies in enforcement strengthened with new control posts supporting coordinated and more cost efficient patrol circuits.

***Incremental Result 2: Productive practices that mainstream biodiversity conservation in strategic parts of the MBR are adopted:*** The Project will have the following main results: (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 updated on technical, administrative, and managerial aspects applied to the activities of the concessions; (iii) nature-based tourism circuits with community-operator partnerships and small-scale infrastructure linking the core zones, biological corridors and special use zones; (vi) best practices for sustainable agriculture in the MUZ, special use zones and BZ adopted by farmers.

***Incremental Result 3: Policy framework compatible with biodiversity conservation is endorsed and implemented and barriers to its sustainable use are removed:*** The Project will have the following main results: (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 conservation of biodiversity within the MBR; (iv) revenue-generating mechanisms in place and operating as part of a fully-endorsed Business Plan for the MBR.

***Incremental Result 4: Overall management of the MBR shifts towards an adaptive management approach guided by a regional vision of the Reserve:*** The Project will have the following main results: (i) cooperative agreements for improved coordination of data collection and analysis activities enable the consolidation of an integrated environmental and socioeconomic data base for adaptive management of the MBR; (ii) the monitoring and evaluation system issuing periodic reports on key indicators of management effectiveness and project performance; (iii) strengthened capacity of local academic organizations to participate in research; (iv) the research agenda for the MBR designed, with the participation of research agencies in Petén.

To achieve the indicated results, the Project includes the following components and activities:

**COMPONENT 1: Strengthening institutional agreements and capacities for the effective management of the MBR and its biodiversity.** This component consists of the following activities: (i) strengthening institutional capabilities for governance of the MBR. This includes strengthening of municipal environmental units and promoting municipal representation on management committees for core zones; (ii) improving and developing new mechanisms for co-management in core zones, biological corridors, community polygons, and other special use areas; (iii) strengthening the operational capacity of the SECONAP in the RBM; and (iv) partnerships with the formal education sector in the region for environmental education and skills training.

**COMPONENT 2: Incentives for the conservation and sustainable use of biodiversity in the MBR.** The following activities will be financed through this component: (i) small innovative investments in the use of biodiversity and environmental goods and services of the MBR; (ii) diversification of forestry products and entrepreneurial training for the administration of concessions; (iii) low-impact nature-based tourism activities and tourism circuits in the CZ, biological corridors and MUZ; (iv) incentives for sustainable agricultural activities in appropriate areas.

**COMPONENT 3: Design and implementation of policies, regulations, and other instruments for the management of the MBR.** This component encompasses the following activities: (i) supporting the resolution of land conflicts in the MBR, particularly in the biological corridors and core zones to the west of the 90° meridian; (ii) norms and regulations for controlling threats in the MBR; (iii) support the environmental audit and compliance monitoring performed by judicial officers in the MBR; (iv) implementing financial mechanisms for the sustainable use and conservation of biodiversity in the Reserve.

**COMPONENT 4: Generation and use of information for the adaptive management of the MBR.** Activities included here are: (i) consolidating and improving the exchange of information for the management of the MBR; (ii) establishing the monitoring and evaluation system of the performance and impact of managing the RBM; and (iii) developing a research agenda for biodiversity conservation.

**b) Key indicators, assumptions and risks (from Logframe)**

In accordance with the Logical Framework (see Appendix B), the outcome indicators to measure the level of success at the Goal and Purpose level are described below:

*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*

Outcome indicators three years after the end of the Project:

- Ecological integrity (as measured by connectivity, area affected by fire and rate of land conversion) is maintained or improved in the MBR (Baseline 2005: 1,769,261 hectares of natural vegetation (forests and wetlands); 92% area with high or medium connectivity; 18% area burned in 2005 and 10% area converted to agriculture between 1986 and 2004).
- Biodiversity of core zones and biological corridors as measured by Rapid Ecological Assessments is maintained (Baseline PNL T 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)<sup>5</sup>).
- 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%

---

<sup>5</sup> A Biological Assessment of Laguna del Tigre National Park - CI Rapid Assessment Program. July 2000.

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).

***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.***

Outcome indicators by the end of the project:

- Vegetation cover (in hectares) affected annually by fires (factoring weather conditions) is diminished by 20%. (Baseline 2005: 400,000 hectares burned).
- 100 % area of the core zones and biological corridors with medium or high connectivity<sup>6</sup> (Baseline 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% area with low connectivity).
- 20% of the recurrent costs for basic operations of two core zones (in addition to Yaxha-Nakum-Naranjo National Park) are covered by Special Trust Fund (Baseline 2005: A Trust Fund is in operation since 2005 for Yaxha-Nakum-Naranjo National Park covering 20% of costs of that area)
- 50% increase in technical staff of SECONAP and its co-administration partners to manage the MBR in the core zones, corridors and special use zones (Baseline 2006: 374 staff assigned to MBR, 6% technical).
- Average management effectiveness rating of the core zones based on WWF/World Bank methodology (SP 1) improves to 70% by project completion. (Baseline 2006: Average rating of core zones 52%).

### **Assumptions:**

The project was designed under the assumptions that: (i) the MBR with its conservation and sustainable development objectives will continue to be strategic for the Government of Guatemala as demonstrated by annual budget allocations; (ii) the co-financing from other projects comes to fruition in a timely manner; (iii) alliances with governmental and non-governmental organizations that administer transborder areas (Mexico and Belize) will be maintained; (iv) there exists social and political stability in the MBR and nationally improving the conditions of rule of law and governance in the region and the MBR; (v) protected area boundaries remain constant and are not subject to legislative actions to change park boundaries; and (vi) political, social, legal and logistical conditions are favorable to the application of policy instruments and administrative norms in the MBR.

### **Risks:**

---

<sup>6</sup> See Annex H “Análisis de las Amenazas y Causas Intrínsecas de Pérdida de la Biodiversidad en la RBM”, Abt Associates for an explanation of measurement of connectivity.

The execution of the Project faces risks that have been analyzed during preparation to identify ways to mitigate them: (i) the Government fails to assign the annual budgetary allocation (*espacio presupuestario*) and annual funding for recurrent costs until the financial sustainability mechanisms are in place; (ii) potential delays in the approval of the PDPRBM (GU-L1002) in Congress that could delay launching of the Project; and (iii) social and political instability in the MBR escalates. The following features have been incorporated to the Project to mitigate these risks: (i) close monitoring of the annual budgetary process to ensure that the required allocation is planned for in advance, the gradual phasing in of government financing of recurrent costs during project execution, and the early endorsement of the Business Plan in Year 1 of the project to leave sufficient time for its implementation; (ii) the approval of the GEF project by the IDB Board will be conditioned on the approval of the PDPRBM<sup>7</sup>; and (iii) both the PDPRBM and the GEF project emphasize the improvement of the overall governance structure of the MBR, with a focus on decentralization and accountability of all levels of government, thus contributing to stability. The GEF Project includes specific features such as the re-establishment of a Community Relations Unit to promote conflict management.

## **2. COUNTRY OWNERSHIP**

### **a) Country eligibility**

Guatemala signed the Convention on Biological Diversity on June 13, 1992 and ratified it on July 10, 1995.

### **b) Country drivenness**

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. The Project has also been designed to support the four strategic lines of the Strategy for Participatory and Inclusive Conservation for the MBR formulated and approved by the Government of Guatemala in 2006 as part of the process of preparing the PDPRBM (GU-L1002).<sup>8</sup>

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

---

<sup>7</sup> Since submission of the GEF Project on September 27, the Government of Guatemala has officially requested the appraisal mission for the loan no scheduled for approval by late December 2006.

<sup>8</sup> The four strategic lines are: (i) Participatory and inclusive conservation; (ii) strengthening of governance; (iii) Cultural and environmental management; (iv) Sustainable production.

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).

### **3. PROGRAM AND POLICY CONFORMITY**

#### **a) Fit to GEF focal area strategic objectives and operational program**

The project has also been formulated in accordance with the **GEF Focal Area Biodiversity and the Operational Program # 3 Forest Ecosystems**, with the aim to: (i) improve the enabling environment for enhancing management effectiveness of the MBR, thus helping to fulfill its purposes of conserving globally important biodiversity and maintaining the ecological integrity of the Selva Maya; (ii) seek the sustainable use of forest ecosystems through co-management and by combining production, socio-economic and biodiversity goals; (iii) replicate successful outcomes derived from effective stakeholder partnerships as well as based on the experience and learning gained. Similarly, the project is mainly in conformity with the **GEF strategic priority BD-rev1**: Catalyze sustainability of protected areas at national levels, established in the context of GEF 4 Replenishment Strategy. 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 protected area system (SIGAP). Given this coverage, the Project is designed to improve management effectiveness of the MBR as an individual protected area while simultaneously having a significant impact on management effectiveness of SIGAP. 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 SECONAP 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 SECONAP (USEC). Contributions to the GEF's strategic targets for biodiversity will be documented through the GEF BD-1 Tracking Tool (see Annex E). 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.

#### **b) Sustainability (including financial sustainability)**

The project strengthens the institutional framework for protected areas management that has existed in Guatemala for over 15 years. The **institutional sustainability** of the project is based on: (i) using existing technical capacities and proven instruments for biodiversity conservation, including the installed monitoring capacity of SECONAP-Peten (CEMEC), partners in co-management, concession contracts and co-administration agreements; (ii) the emphasis on

capacity building at the local and national levels through both the loan (GU-L1002) and the GEF Project; (iii) implementation of a genuine process of citizen participation and decentralization building on the practical experience of the forestry concessions and re-activating SECONAP's Community Relations Unit to work directly in the field with communities living within or in the vicinity of the core zones; (iv) formalization of the High-Level Inter-Institutional Committee (CIAN) as a proven forum to discuss and coordinate sectoral policies and actions in the context of the Project, including bringing to the forefront matters related to oil production activities, cattle raising, tourism and other economic activities of the RBM; and (v) a gradual and phased approach to the internalization of new personnel and other recurrent costs. In addition, the execution scheme of the Project foresees a Program Unit (UP) working in the regional offices of MARN and SECONAP-Petén thus favoring the direct transfer of knowledge and experience. The recent creation of the SECONAP Monitoring and Evaluation Unit will also contribute to the timely incorporation of the practical experience gained in biodiversity conservation and management, thus enabling replication to other areas within the national system of protected areas and contributing to overall institutional sustainability.

With respect to **financial sustainability**, the project proposes to *diversify the portfolio of sources of funding* to secure the long term financing of the effective conservation of the MRB. A *Trust Fund designed exclusively for the Reserve* would collect and manage these resources, and a Technical Committee of no more than 5 to 7 members, including representatives of SECONAP, the Guatemalan private sector, NGOs, civil society and an international expert in the conservation finance field would co-administer this Trust Fund<sup>9</sup>. To integrate the establishment of the MBR Trust Fund and the implementation of a portfolio of funding mechanisms, the GEF project will develop a business plan for the MRB. By matching the MRB's funds needs and sources, this business plan will contribute to the effective co-administration of the MRB and the communication with national and international donors. SECONAP has been actively engaged in the analysis of potential funding mechanisms that could generate resources for the MBR Trust Fund and to cover the operating activities of the conservation endeavors. This exchange has generated a prioritization of those mechanisms that have more potential to generate high amounts of funding and are institutionally and politically feasible (Annex G).

The following table shows an estimate of the potential funds that could be generated from the different sources. The analysis indicates that a fund in the order of US\$4.5 to US\$6.5 million could be established by 2011, thereby generating sufficient resources to cover basic recurrent costs for managing the Reserve.

**Expected Values of Financial Mechanisms with Medium and High Priority**

<b>FINANCIAL MECHANISM</b>	<b>Additional Resources 2011</b>	<b>Expected Value 2011</b>
Airport fee At the International Airport Mundo Maya of Santa Elena	\$2 - 3 million	\$1-1,5 million
Park fees	\$1 - 1,5 million	\$800 thousand - 1 million
Concessions at Parks	\$100-200 thousand	\$85 - 100 mil
Oil Royalties	\$300 thousand - 1,5 million	\$200 - 700 mil

<sup>9</sup> See Annex G Financial Sustainability.

National Budget (through CONAP)	\$1,5 - 2 million	\$750 thousand - 1 million
Donation from local and international donors	\$2 - 2,5 million	\$1,5 - 2 million
Fees to foreigners at hotels	\$350-500 thousand	\$200 - 250 thousand
Fee for border crossing at El Ceibo	\$300-400 thousand	\$200 - 300 thousand
<b>Total</b>	<b>\$8 - 11 million</b>	<b>\$4,5 - 6,5 million</b>

The Project's **environmental sustainability** is associated with measurable results in terms of: (i) improvements in the on-site capacities to manage the MBR, including planning and supervision, monitoring, surveillance, the implementation of policies based on consensus, environmental education and applied research; (ii) conservation of biodiversity as an integral part of the local economy and the production of goods and services; (iii) secure legal status of the core zones and biological corridors; and (iv) maintenance of the ecological integrity of ecosystems of regional and global importance.

The Project is also sustainable from a social standpoint in that it builds on a genuine dialogue initiated by the Government with communities in the RBM. The Project will consolidate these processes by providing solutions to conflictive issues such as rights to land and resource use, paving the way for a strategic partnership with the local population around the objectives of biodiversity conservation. The involvement of local NGOs with a track record in working with communities and the emphasis on communities learning from each other also enhance the social dimension of the project. The re-establishment of the Community Relations Unit of SECONAP as well as the selection of activities and investments derived from a participatory process are other factors that contribute to the **social sustainability** of the Project.

### c) **Replicability**

The Project will provide lessons learned and experiences suitable for replication including for example: (i) integrated approaches to forest management linking core zones, biological corridors, buffer zones and special use zones to maintain the ecological integrity of extensive tracts of forest applicable to other parts of the Selva Maya in Mexico and Belize as well as the Mesoamerican Biological Corridor; (ii) cost-effective co-management arrangements of conservation units applicable to other parts of the National System of Protected Areas (SIGAP); (iii) locally adapted methodologies for clarifying land and resource use rights and to harmonize the presence of human settlements in core zones applicable to other parts of Peten and SIGAP; (iv) best practices for the sustainable use of biodiversity as a means of improving livelihoods of interest locally and replicable throughout the MBR. The Project's replication strategy consists of the following: (i) establish working relationships with teams managing the Calakmul Biosphere Reserve and Montes Azul Reserve in Mexico and the Rio Bravo Conservation Area in Belize through short-term exchanges of technical staff, joint supervision visits and evaluations, and regional for a; (ii) disseminate results nationally and regionally through a project web site, academic workshops with the regional network of universities, and the public communication strategy (interactive media, active learning events etc.); (iii) community-to-community and municipality-to-municipality knowledge transfer. SECONAP's newly established Monitoring and Evaluation Unit will help ensure replication of lessons learned throughout the SIGAP network.

#### **d) Stakeholder involvement**

An in-depth socio-cultural analysis and a complementary socio-economic analysis were undertaken as the basis for the stakeholder participation process<sup>10</sup>. These 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. A wide range of stakeholders who direct, participate actively in, and/or impact on the management of the MBR were involved in the design of this Project at various stages of the process. In addition to field visits, a series of consultation workshops were held in 2004 and 2005 with the main objective of introducing the concept of the PDPRBM and the GEF Project and to gain a local perspective on priorities for the management of the RBM. These workshops helped identify specific opportunities for promoting sustainable use and conservation of biodiversity in communities located in the vicinity of the CZ, in the MUZ and BZ. The workshops also confirmed the need to adopt a participatory approach customized to the circumstances of the RBM in order to ensure effective and sustainable management of the RBM. Two consultation workshops were also held in 2006 to set validate the threat and root cause analysis (see Annex H) as well as set priorities for the activities to be financing by the GEF Project. 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 can be shared.

The Project's execution will be accompanied by a comprehensive communication plan cross-cutting each component. This plan's objective is to inform and promote effective participation of stakeholders in execution and to identify windows of opportunity for local actors to provide feedback. The communication plan encompasses the full spectrum from promoting local awareness and environmental education through formal and informal channels, informing the public at large of progress and lessons learned, working with local stakeholders in developing demonstration projects; and involving local organizations in the planning, monitoring and evaluation cycle.

#### **e) Monitoring and evaluation**

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 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

---

<sup>10</sup> 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.

initiatives and use the installed capacity of CEMEC and the various stakeholders including NGOs involved in the collection and analysis of data on the RBM. The monitoring and evaluation system will function within SECONAP 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, WCS and 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 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 RBM?; (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 RBM and how is the Project contributing to maintaining them?

#### 4. FINANCING

The total cost of the Full Size Project is US\$15 million. Of this amount, US\$4,060,000 will be financed by a GEF grant to be administered by the IDB. An estimated US\$10,940,000 will be provided as co-financing from the IDB-funded Petén Development Program for the Conservation of the MBR (PDPRBM/GU-L1002). In addition, approximately US\$2.6 million will be provided in associated funding with US\$1.7 million from USAID and US\$0.9 million from Conservation International (CI) for activities biodiversity monitoring, forest enterprise, sustainable tourism and enterprise development and community projects in the MBR<sup>11</sup>.

Cost-effectiveness is inherent to the Project's strategy, as it is designed around entities already operating in the MBR such as SECONAP and other institutions and it optimizes the allocation of human resources through co-management. It also incorporates synergies through an execution scheme that is fully integrated with the loan, thereby ensuring savings in project administration.

##### a) Project Costs

Project Components	Co-financing (\$)	GEF (\$)	Total (\$)
1. Institutional agreements and capacities for management	1,540,000	1,060,000	2,600,000
2. Incentives for conservation and sustainable use	7,000,000	800,000	7,800,000

<sup>11</sup> In addition to the GEF grant of US\$350,000 for the PDF-B stage, it had US\$390,000 in co-financing funds from the IDB and the Government (please see Financing Plan on page 1).

3. Policies, regulations and other instruments for management	1,000,000	920,000	1,920,000
4. Information for adaptive management	0	950,000	950,000
Project management budget	1,300,000	300,000	1,600,000
Financial costs and audits	100,000	30,000	130,000
Total project cost	10,940,000	4,060,000	15,000,000

**b) Project Management Budget<sup>13</sup>**

Component	Estimated staff weeks (total)	GEF(\$)	Other Sources (\$)	Project total (\$)
Personnel <sup>12</sup>	1,540	300,000	1,000,000	1,300,000
Local consultants	70	60,000	60,000	120,000
International consultants	45	30,000	60,000	90,000
Office equipment			50,000	50,000
Travel			92,000	92,000
Miscellaneous			38,000	38,000
Total	1,655	390,000	1,300,000	1,690,000

Personnel includes: an Executive Director for the overall Program (220 person weeks), a financial specialist (220 person weeks), two procurement specialists (440 person weeks), a Technical Director for the PDPRBM (220 person weeks), a GEF Technical Director (220 person weeks) and a GEF project specialist (220 person weeks). Local and international consultants include specialists to conduct the mid-term and final evaluations. A larger proportion of the project management budget is charged to the loan. The total represents approximately 11% of total project costs (US\$15 million) which is within IDB guidelines for such costs.

**c) Consultants working for technical assistance components\***

Component	Estimated staff weeks	GEF (\$)	Other sources (\$)	Project total
Personnel <sup>14</sup>	660	175,000	350,000	525,000
Local consultants	960	312,000	936,000	1,248,000
International consultants	960	480,000	1,440,000	1,880,000
Total	2,580	967,000	2,726,000	3,653,000

<sup>12</sup> Includes salaries of all locally recruited personnel from the Program Unit (some of whom will be also providing technical assistance) for both the GEF Project and the IDB loan.

<sup>13</sup> Including mid-term and final evaluations

<sup>14</sup> Does not include personnel from the Program Unit (UP) for which costs are included in b) Project Management.

\* Includes technical assistance for GEF Project and IDB loan. Includes technical assistance for institutional strengthening and specialized services (training, legal advisory services, communication and extension, monitoring and demarcation of zones). The consultants will be a combination of individual consultants, firms and/or specialized institutions that will be hired during Project execution. As per IDB procurement policies, there is no ex-ante specification of national vs international consultants, but rather a distinction between publication at the national level for service contracts below US\$200,000 and publication at the international level for service contracts above or equal to US\$200,000. Between two equal candidates, preference is given to local services. The specific roles and functions of each consultants will be specified in the respective detailed terms of reference and the Project's annual operational plans to be prepared during Project execution.

**d) Co-financing sources**

Co-Financing Sources				
Name of Co-financier (source)	Classification	Type	Amount (\$)	Status*
IDB Peten Development Program for the Conservation of the MBR (GU-11002)	Multilateral	Cash	10,940,000	Confirmed
Sub-Total Co-financing			10,940,000	
Associated Financing				
USAID	Bilateral Agency	In-Kind & Cash	1,700,000	Confirmed
Conservation Int'l (CI)	NGO	In-Kind & Cash	900,000	Confirmed
Sub-Total of associated financing			2,600,000	

**5. INSTITUTIONAL COORDINATION AND SUPPORT**

**a) Core commitments and linkages**

The main objective of the IDB Country Strategy for Guatemala (2004-2007) is poverty reduction, with an emphasis on supporting the Government's efforts towards sustainable economic growth and employment generation. This will be achieved through two specific objectives: (i) improve the conditions for efficient production and incorporating excluded sectors in the productive process, and (ii) increasing human capital in an equitable manner. Institutional strengthening and governance are cross-cutting priorities. The Strategy makes specific reference to the need to support the sustainable management of the natural and cultural resources in the Mayan Biosphere Reserve (MBR), with particular attention on sustainable tourism development.

The Bank has an investment loan under preparation for the MBR designed in parallel to the GEF Project. The **Petén Development Program for the Conservation of the MBR (PDPBRM/GU-L1002)** is a US\$30 million Program<sup>15</sup> in the final stages of preparation and to be implemented over six years. The objective of the investment loan is to promote the conservation of the MBR through sustainable use, inclusive and participatory management of natural resources, cultural resources, tourism activity and environmental management with a view to improving the quality of life of Petén residents. The Program consists of the following components: (i) Sustainable Management of Natural Resources and the Environment; (ii) Enhancement of Archaeological and Other Tourism Sites; and (iii) Institutional Strengthening. The GEF Project falls primarily within the first component of the Program and was conceived to complement it thematically and geographically. For example, the loan includes investments in

<sup>15</sup> Of which US\$10,940,000 serves as co-financing for the GEF Alternative.

productive activities in the southern part of the Department of Petén meant to curtail the process of migration to the north and reduce pressure on the core zones of the MBR.

The IDB-funded **Sustainable Development Program for Petén** nearing completion also includes specific interventions in selected parks and in the buffer zone of the MBR. The loan has financed restoration of archeological sites (Yaxhá and Aguateca), sustainable natural resource management, systems for environment-friendly agricultural production and regularization of land titles in the BZ. The Operating Regulations for the GEF Project have incorporated lessons learned from this project. In addition, the activities in the GEF Project involving the forestry communities in the MUZ, will be complemented by a regional IDB-MIF funded project, which supports the forestry communities in the MUZ in aspects involving processing and marketing of timber.

**b) Consultation, coordination and collaboration between IAs, and IAs and ExAs, if appropriate**

*The World Bank.* 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 GEF Project is expected to benefit from that project in terms methodologies and information bases. 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 Mesamerican 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 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 SECONAP, 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.

#### **a) Project implementation arrangement**

The executing agency for the GEF Project is the Ministry of Environment and Natural Resources (MARN) through SECONAP. 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, SECONAP 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 SECONAP and other participating agencies. This UP will ensure the technical coordination of all activities, be responsible for undertaking and overseeing procurement processes related for the execution of these activities, 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 (MICUDE, IDAEH, MAGA and 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 Community Development Committees (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 SECONAP, MARN, INGUAT, MICUDE, MAGA, and SCEP will continue to participate in the High-Level Inter-Institutional Committee (CIAN)<sup>16</sup> 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 RE2/EN2 at IDB Headquarters in Washington, the latter also serving as contact person with the GEF.

### **Annexes**

- Annex A: Logical Framework Matrix
- Annex B: Incremental Cost Analysis
- Annex C: STAP Review
- Annex C1: Response to STAP Review
- Annex C2: IDB Response to GEF SEC Review
- Annex D: Endorsement Letter
- Annex E: SP-1 Tracking Tool
- Annex F: Monitoring and Evaluation Plan
- Annex G: Financial Sustainability Plan
- Annex H: Threat and Root Cause Analysis (in Spanish)
- Annex I: Commitment Letter (in Spanish)
- Annex J: Government Letter Confirming Priorities under GEF-4
- Annex K: Aide Memoir of Consultations (in Spanish)

---

<sup>16</sup> An Ad Hoc Committee composed of the same members already exists and has been participating in the formulation of the PDPRBM. Other members of the CIAN include the Presidential Commissioner for Peten, the Ministry of Energy and Mines, and the Ministry of Defense.