

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

ITTO

PROJECT PROPOSAL

TITLE:	DEVELOPMENT OF A FOREST LANDSCAPE RESTORATION PROGRAM FOR GUATEMALA BASED ON ITTO GUIDELINES
SERIAL NUMBER:	PD 765/14 <u>Rev.4</u> (F)
COMMITTEE:	REFORESTATION AND FOREST MANAGEMENT
SUBMITTED BY:	GOVERNMENT OF GUATEMALA
ORIGINAL LANGUAGE:	SPANISH

SUMMARY:

In 2012, Guatemala had a forest cover of 3,674,595 hectares, which accounted for 34% of the national territory. Due to strong pressure from the expanding agricultural frontier, logging and other factors, the forest cover decreased significantly from 2006 to 2012. In 2006 the total forest cover was 3,868,708 hectares. This represents a net loss of 146,112 hectares of forest in the aforementioned period, which amounts to a net deforestation rate of 1.0% per year at the national level (compared to the total forest area in 2006). This situation has become particularly critical as Guatemala has been identified as one of the world's most vulnerable countries to extreme climatic events and other climate change impacts.

Over the last two decades, Guatemala has promoted policy instruments for forest conservation, management and reforestation through the Forest Incentives Programme (PINFOR) and the Forest Incentives Programme for Small Forestry and Agroforestry Landholders (PINPEP), developing regulatory, technical and planning tools to facilitate their implementation. However, despite the progress made in the administration and sustainable use of forest resources in the country, none of these policy instruments has specifically addressed the issue of forest landscape restoration through the use of one of the aforementioned tools.

The Forest Landscape Restoration Board has developed a Forest Restoration Map, where a total of 3,989,465 hectares has been identified as a potential area for restoration, which has been divided into four categories: a) protected areas; b) riparian areas; c) mangrove forest areas; and d) areas suitable for forestry with gradients of more than 50% and high water recharge capacity. In addition, there is a National Strategy for Forest Landscape Restoration, whose main objective is the restoration of 1.2 million hectares of forest landscape in highly vulnerable areas by the year 2045.

Thus, it is necessary to develop a project proposal aimed at the implementation of forest landscape restoration actions through pilot restoration sites established in accordance with the "ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests", focused on 4 strategic forest ecosystems that have been prioritized by the National Forest Institute (INAB) and the National Council for Protected Areas (CONAP) - cloud forests, dry forests, pine-oak forests and mangrove forests. This project proposal is designed to be implemented in two phases. The first phase will focus on strengthening technical capacities in the areas related to restoration, knowledge management for restoration, and establishment of pilot sites in two of the prioritized ecosystems (pine-oak forests and cloud forests). In the second phase, the experience gained from the implementation of the first phase will be used for the generation of information for dissemination at the national level as well as the implementation of trial plots in the other two ecosystems that were initially prioritized.

EXECUTING AGENCY:	<u>FOUNDATION FOR THE CONSERVATION OF NATURAL RESOURCES AND THE ENVIRONMENT IN GUATEMALA – FCG</u>			
COLLABORATING AGENCY:	<u>NATIONAL FOREST INSTITUTE (INAB)</u>			
DURATION:	<u>PHASE I: 24 MONTHS</u> <u>PHASE II: 24 MONTHS</u>			
APPROXIMATE STARTING DATE:	TO BE DETERMINED			

BUDGET AND PROPOSED SOURCES OF FINANCE	Source	Total Contribution in US\$	<u>Phase I</u>	<u>Phase II</u>
	ITTO	601,944	250,000	351,944
	<u>FCG</u>	<u>216,360</u>	<u>108,180</u>	<u>108,180</u>
	Total	<u>818,304</u>	<u>358,180</u>	<u>460,124</u>

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PROJECT BRIEF

1. Current situation and problems to be solved

In 2012, Guatemala had a forest cover of 3,674,595 hectares, which accounted for 34% of the national territory. Due to strong pressure from the expanding agricultural frontier, logging and other factors, the forest cover decreased from 3,868,708 hectares in 2006. This represents a net loss of 146,112 ha of forest, amounting to a net deforestation rate of 1.0% per year at the national level (compared to the total forest area in 2006). This situation has become particularly crucial as Guatemala has been identified as one of the world's most vulnerable countries to extreme climatic events and other climate change impacts.

Over the last two decades, the country has promoted policy instruments for forest conservation, management and reforestation through the Forest Incentives Program (PINFOR) and the Forest Incentives Program for Small Landholders (PINPEP), and this year the new incentives that have been established under the PROBOSQUE Act, **for which there are** regulatory, technical and planning tools to facilitate their implementation. However, despite the progress made in the management and sustainable use of forest resources in the country, only PROBOSQUE includes the issue of restoration of forest landscape as part of its work plan, and this is the reason why efforts should be focused on strengthening and implementing this program.

FCG is the administrator of the Fund for the Conservation of Tropical Forests (Forest Conservation Agreement - FCA) through which funds have been transferred for the implementation of 31 projects in three financing cycles and five small-grant regional sub-programs (PPD/FCA), which have supported 48 local grassroots organization initiatives during the first cycle of this program.

The total amount of financing granted in the three first cycles by the FCA Fund was close to 70 million Quetzals out of a total of US\$24 million, plus interest earned on this capital, which constitutes the total Fund that is currently administered by FCG.

In May 2016, as a result of the open call for the fourth project cycle of the FCA Fund, 10 projects were approved under the Regular Programme for a total of 24.4 million Quetzals. Furthermore, financing for 4 small-grant regional sub-programs was renewed (PPD/FCA) for a second cycle, for a total amount of 12 million Quetzals.

In December 2016, as a result of the selection process for a fifth management organization, a management agency was selected for the small-grant regional sub-program of the Volcanic Range of the Western Altiplano region (departments of Quetzaltenango, Totonicapan, San Marcos and Retalhuleu) for a second cycle, for a total amount of 3 million Quetzals.

The Government of Guatemala is aware of the need to **implement actions that will contribute to the restoration** of the forest landscape and **thus contribute to reaching the goals established in the Bonn Challenge Initiative**¹. Its commitment involves investments made in the conservation of forest ecosystems throughout the country. These investments made through the said policy instruments started in 1997 and to date amount to USD 127 million.

During 2014, various stakeholders in the forestry sector and others related to forestry activities participating in the Forest Restoration Board (MRF) formulated the National Strategy for Forest Landscape Restoration, as a mechanism for rural development, with the support of the International Union for the Conservation of Nature (IUCN) and Rainforest Alliance (RA). The Board was established in 2012 with the participation of academia, communities, representative of the National Association of Municipalities, private initiative, banks, civil society, government and non-governmental institutions, **which included the FCG. This board is** led by the National Forest Institute, through the Monitoring Directorate for the implementation of the National Forest Program (NFP). **The objective of the strategy is the restoration of 1.2 million hectares of highly vulnerable forest landscapes by the year 2045.**

The Forest Landscape Restoration Board **has developed** a Forest Restoration Map, where a total of 3,989,465 hectares have been identified as a potential area for restoration, which has been divided into four categories: a) protected areas; b) riparian areas; c) mangrove forest areas; and d) areas suitable for forestry with gradients of more than 50% and high water recharge capacity.

¹ The Bonn Challenge (a world movement to restore 150 million hectares of degraded and deforested lands by 2020) was launched in Bonn, Germany, in September 2011 by the Global Partnership on Forest Landscape Restoration.

2. Development and specific objectives

The project development objective is to “*reduce forest degradation and improve the restoration of forest ecosystems in Guatemala*”.

The project specific objective is to “*improve forest landscape restoration actions through the implementation of a forest restoration mechanism based on ITTO guidelines with the broad participation of key stakeholders in prioritized strategic ecosystems*”.

Beneficiaries and Outcomes

The local communities, small owners of forest resources, co-managers of protected areas and the private sector were identified as major project beneficiaries and will constitute the basis for the implementation of project actions.

Expected outcomes at project completion are as follows:

- The conservation and restoration of the country’s forest cover will have been strengthened through the implementation of forest landscape restoration mechanisms that will help enhance forest biodiversity.
- Government and private investment in forest restoration activities will have been increased.
- The capacities of communities, organizations and the private sector to implement forest landscape restoration mechanisms will have been strengthened.
- Forest institutions will be in a position to promote forest landscape restoration.
- Academic institutions will be developing and transferring knowledge on forest landscape restoration.
- Society at large will become aware of Guatemala’s mechanisms and experiences on forest landscape restoration.

3. Implementation approaches and methods and stakeholder involvement

Project activities will be implemented by strengthening the capacity of **FCG and of key project implementation partners, particularly INAB, as well as other relevant forest stakeholders responsible for the monitoring of resources, goods and services generated in forest ecosystems.** The project will adopt a participatory approach involving the participation of stakeholders, strengthening the capacities of forest resource owners and rural communities through the exchange and transfer of experiences and techniques.

The following measures will be taken during project implementation to develop this approach:

Strategic partnerships: a series of workshops and meetings will be held with key stakeholders from the civil society, local government and government institutional sectors, as they are directly related to the target beneficiaries to establish mechanisms for the coordination and joining of efforts.

Forest Landscape Restoration Board: made up of representatives of national and international stakeholders related to the forest sector in Guatemala and involved or interested in forest landscape restoration activities.

This Board comprises a balanced representation of sectors interested in addressing the problem of forest degradation by promoting and facilitating restoration actions. These include:

- Government institutions
- Academia
- Municipalities
- Indigenous peoples
- Local communities
- NGOs
- Private sector
- International cooperation agencies

Consultation and validation processes: the adjustment and development of new instruments will require consultation and validation through workshops and interviews with key stakeholders and beneficiaries.

Technical guidelines for forest landscape restoration: this technical instrument will be updated to guide forest landscape restoration processes in the prioritized ecosystems on the basis of ITTO Guidelines. This will facilitate the harmonization of criteria and standards in pilot sites and the replication of positive outcomes in other priority ecosystems and areas.

Implementation of pilot sites for forest landscape restoration: project actions will be implemented in 4 pilot sites located in different regions and ecosystems at the national level: 1 pilot site in a pine-oak forest area; 1 pilot site in a mangrove forest area; 1 pilot site in a cloud forest area; and 1 pilot site in a dry forest area.

It is important to highlight that during the first phase of the project pilot sites will be established in the ecosystems with pine-oak forests and cloud forests, given that in these systems there are consolidated local platforms that guarantee the achievement of the objectives set out in the project. The ITTO Guidelines on the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests will be used in the implementation of all restoration activities.

Knowledge strengthening: it is expected that the training, technical assistance and information to be provided will help improve the knowledge base on forest restoration and the rehabilitation of degraded secondary forests.

Forest culture: An awareness-raising program will be implemented at various levels through different dissemination and communication media to promote a forest restoration culture in society.

4. Sustainability of project outcomes:

Forest landscape restoration represents an excellent opportunity for the rehabilitation of degraded and secondary forests in the country and **their** related services, which will in turn contribute to the development of the forest sector in Guatemala. Furthermore, direct project benefits are linked to the development of community tools, knowledge and capacity for the implementation of forest landscape restoration mechanisms that may be replicated at the national level and can **promote** income generating opportunities. In addition, the restoration of degraded forests and lands is an effective alternative for the reduction of socio-environmental vulnerability in these areas, as well as a climate change adaptation and mitigation alternative.

This project will implement activities aimed at the inter-institutional coordination of institutions involved in the management of forests and specifically in the restoration of forest landscapes. Furthermore, the project will strengthen the institutional capacity of **FCG and INAB** as well as other regional and local bodies responsible for forest ecosystems. This means that it will strengthen local capacities for the management and utilization of these ecosystems and will hence contribute to the sustainability of natural resources in the country.

Institutional sustainability

Since its establishment in the year 2000, the main objective of FCG has been to become a financing mechanism to facilitate the management and administration of funds for the conservation of biodiversity and the environment in the country. Thus, since it was formally authorized to become operational, the FCG has accumulated 14 years of experience in the management of funds for third parties.

FCG is the administrator of the Fund for the Conservation of Tropical Forests, through which initiatives are financed in four geographical regions of the country and on the basis of which, partnerships have been established with local agencies and grassroots organizations.

As the administrator of the FCA, FCG has achieved recognition for the efficient transfer of resources through two grant programs, which to a large extent coincide with the forest landscape restoration objectives.

Furthermore, FCG also participates in various bodies related to forest management in the country, such as the NGOs representation in the Secretariat of the Forest, Biodiversity and Climate Change Group, among others.

INAB, as the country's leading institution in forestry matters and as the collaborating agency for the implementation of this project, has recently established the Forest Restoration Department, which

is attached to the Forest Management and Conservation Directorate. Since its establishment, the Forest Restoration Department has been the agency responsible for the promotion, implementation and provision of technical assistance for forest restoration initiatives at the national level. For the implementation of this project INAB will play a coordination role, directly supporting the FCG in the implementation and monitoring of project activities including the development of strategic partnerships as required to achieve project objectives.

Furthermore, the project will have the support of the Departments for Strategic Forest Ecosystems and Forest Research, which will provide support for the implementation of specific activities in prioritized areas.

In order to ensure the continuity of project activities, FCG and INAB will use project outputs as support tools for the development of management guidelines for the implementation of future projects, management plans, yearly plans of operation, handbooks and manuals, among others.

The project is directly consistent with strategic objective 1 of INAB's Five-Year Plan i.e. "Promote the sustainable provision of forest goods and services to meet energy, housing, food, infrastructure and agro-industrial needs, as a mechanism to guarantee livelihoods for society and reduce social and environmental vulnerability in Guatemala". Furthermore, the project is also consistent with strategic objective 2 of the Plan, i.e. "Reduce forest loss and degradation by regulating and monitoring the utilization, protection and rehabilitation of forests while maintaining their production and protection functions".

The strengthening of the capacities of **FCG**, INAB and other key stakeholders and coordination with all relevant stakeholders (private sector, CONAP, NGOs, academia, municipalities, community forest organizations and government agencies, among others) will guarantee the continuity of project actions.

Financial sustainability

FCG has extensive experience in developing initiatives aimed at attracting and channeling new financing sources for the achievement of its objectives, with forest restoration being one of the most significant and relevant.

In addition, at the next meeting of the FCA, FCG could request that the Oversight Committee consider establishing synergies and complementarity of its investments based on the outputs of the project to be financed by ITTO.

INAB's mandate includes the maintenance and strengthening of its Department for Strategic Forest Ecosystems and the Forest Research Department within the overall budget of the Institute.

Article 9 of the Law on the Program to Promote Forest Establishment, Rehabilitation, Restoration, Management, Production and Protection in Guatemala (PROBOSQUE) stipulates that for a period of 30 years, the State shall annually allocate at least 1% of the Regular State Revenue in the General Budget of State Revenue and Expenditures to provide for the forest incentives established under the aforementioned legislation. This new program includes a forest restoration component which should guarantee the continuity of project actions.

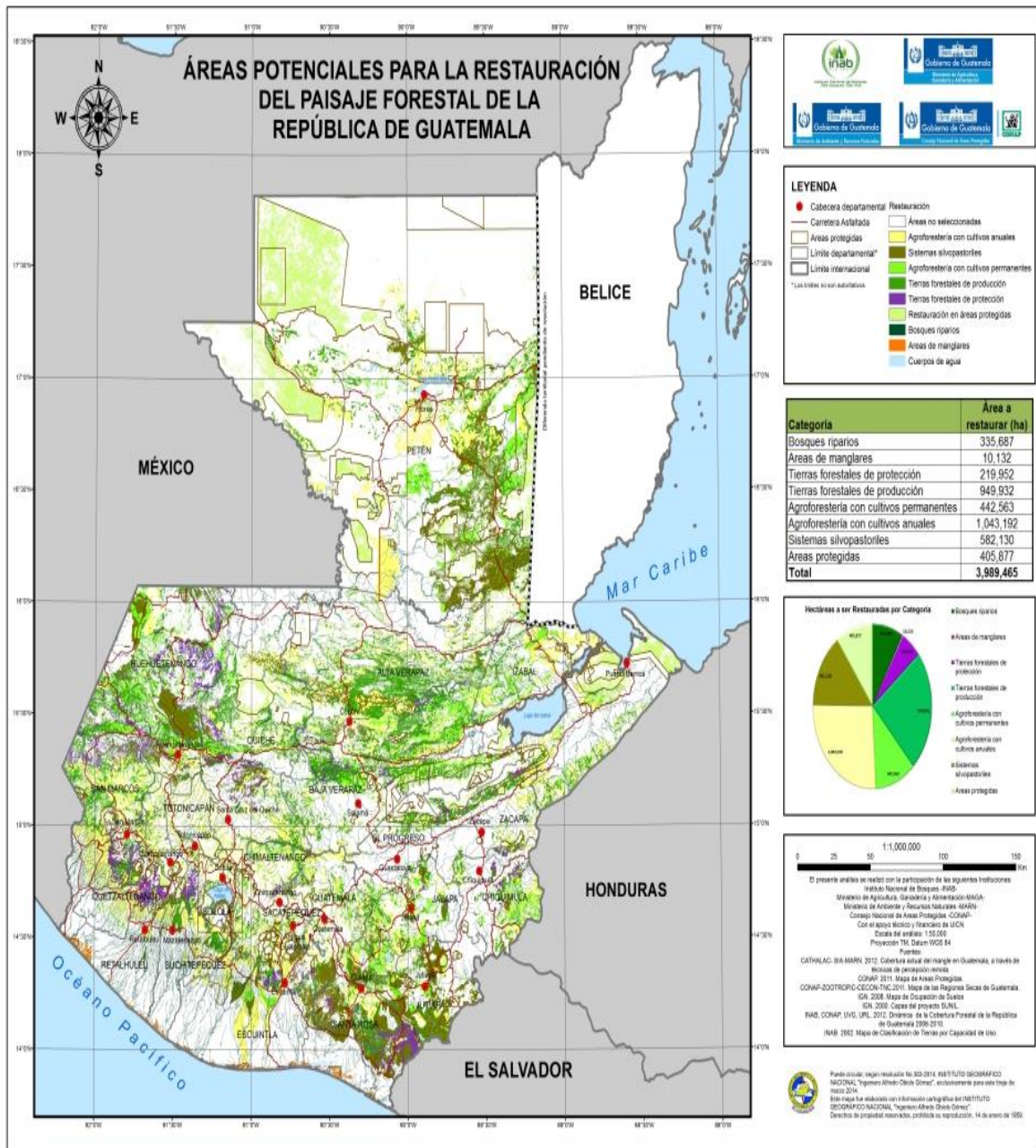
In addition to INAB's financial contribution to ensure the continuity of project actions, funding will be leveraged through various cooperation mechanisms at both the national and international levels.

Source	Contribution in US\$	<u>Phase I</u>	<u>Phase II</u>
ITTO	601,944	250,000	351,944
INAB	<u>216,360</u>	<u>108,180</u>	<u>108,180</u>
Total	818,304	358,180	460,124

LIST OF ACRONYMS AND ABBREVIATIONS

BOSCOM	Proyecto de Fortalecimiento Forestal Municipal y Comunal (<i>Community and Municipal Forest Strengthening Project</i>)
CFC	Cloud Forest Corridor
CONAP	Consejo Nacional de Áreas Protegidas (<i>National Council for Protected Areas</i>)
DIPRONA	División de Protección a la Naturaleza (<i>Directorate for the Protection of Nature</i>)
FCG	<u>Foundation for the Conservation of Natural Resources and the Environment in Guatemala.</u>
FLR	Forest Landscape Restoration
FMP	Forest Management Plan
HDI	Human Development Index
IARNA	Instituto de Ambiente y Recursos Naturales (<i>Institute for the Environment and Natural Resources</i>)
IIA	Instituto de Investigaciones Agronómicas (<i>Agricultural Research Institute</i>)
INAB	Instituto Nacional de Bosques (<i>National Forest Institute</i>)
ITTA	International Tropical Timber Agreement, 2006
ITTO	International Tropical Timber Organization
IUCN	International Union for the Conservation of Nature
MAGA	Ministerio de Agricultura, Ganadería y Alimentación (<i>Ministry of Agriculture, Livestock and Food</i>)
MARN	Ministerio de Ambiente y Recursos Naturales (<i>Ministry of the Environment and Natural Resources</i>)
MP	Ministerio Público (<i>Public Ministry</i>)
NGO	Non-Government Organization
PA	Protected Area
PFN	Programa Forestal Nacional (<i>National Forest Programme</i>)
PINFOR	Programa de Incentivos Forestales (<i>Forest Incentives Programme</i>)
PINPEP	Programa de Incentivos Forestales para Poseedores de Pequeñas Extensiones de Tierra de Vocación Forestal o Agroforestal Forestal o Agroforestal (<i>Forest Incentives Programme for Small Forest and Agroforestry Landholders</i>)
PSC	Project Steering Committee
SFM	Sustainable Forest Management
SIFGUA	Sistema de Información Forestal de Guatemala (<i>Forest Information System of Guatemala</i>)
SIGAP	Sistema Guatemalteco de Áreas Protegidas (<i>Guatemalan System for Protected Areas</i>)
URL	Universidad Rafael Landívar (<i>Rafael Landívar University</i>)
USAC	Universidad de San Carlos de Guatemala (<i>University of San Carlos of Guatemala</i>)
UVG	Universidad del Valle de Guatemala (<i>University of the Valley of Guatemala</i>)

MAP OF PROJECT AREA



PART 1. PROJECT CONTEXT

1.1 Origin

The statistics on forest cover loss and gain in the country, as outlined in the study on Forest Cover Dynamics 2006-2010 developed jointly by INAB, CONAP, MARN, UVG, URL/IARNA (UVG, MARN, INAB, CONAP, URL, 2012), show that in the period 2006-2010 there was a net loss of forest cover of 146,112 hectares at the national level, which would be equivalent to an annual deforestation rate of 38,597 hectares, representing a loss of 1% of the existing forest area in 2006. This situation has become particularly crucial as Guatemala has been identified as one of the world's most vulnerable countries to extreme climatic events and other impacts of climate change.

Over the last two decades, Guatemala has promoted policy instruments for forest conservation, management and reforestation through the Forest Incentives Program (PINFOR) and the Forest Incentives Program for Small Forestry and Agroforestry Landholders (PINPEP), developing regulatory, technical and planning tools to facilitate their implementation. However, despite the progress made in the administration and sustainable use of forest resources in the country, none of these policy instruments has specifically addressed the issue of forest landscape restoration through the use of one of the aforementioned tools. **In addition, as part of its cooperation initiatives, FCG manages financial resources that support the implementation of environmental projects at the national level, some of which include restoration activities in 4 prioritized regions of the country.**

The Government of Guatemala is aware of the need to **implement activities that will contribute to** the restoration of the forest landscape and **will thus contribute to reaching the goals stipulated in** the Bonn Challenge Initiative². Its commitment involves investments made in the conservation of forest ecosystems throughout the country. These investments made through the said policy instruments started in 1997 and to date amount to USD 127 million.

To address the issue of Forest Landscape Restoration, the Government of Guatemala has established a coordination platform known as "Forest Landscape Restoration Board", which has a coordinating committee made up of representatives from the Ministry of Agriculture, Livestock and Food (MAGA), the National Forest Institute (INAB), the National Council for Protected Areas (CONAP) and the Ministry of the Environment and Natural Resources (MARN). **Furthermore, the Board also includes representatives from academia, municipal councils, indigenous peoples, local communities, NGOs, including FCG, the private sector and international cooperation agencies.**

As a result of the work of the Forest Restoration Board, a Map of Potential Areas for the Restoration of the Forest Landscape of the Republic of Guatemala was generated (INABMAGA-MARN-CONAP, 2014), with an estimation of 3.9 million hectares distributed in eight potential categories, namely riparian forests (gallery), mangrove areas, protected forest lands, forest management of production, agroforestry with permanent crops, agroforestry with annual crops, silvopastoral systems and protected areas (category I).

In this context, Guatemala began the process of formulating the National Strategy for Forest Landscape Restoration with the involvement of several stakeholders, represented in the Forest Restoration Board. The Strategy has an implementation period of 2015-2045 (30 years) **with a target of restoring 1.2 million hectares of forest landscape in highly vulnerable areas.** The strategy comprises three main areas: the philosophical approach, the strategic approach including objectives and goals, and the programmatic approach, which includes major strategic initiatives to be undertaken from the first implementation stages so as to boost their development and ensure the stability and sustainability of achievements as development initiatives to be carried out throughout the implementation period.

Decree No. 2-2015 – Law for the Promotion of Forest Establishment, Rehabilitation, Restoration, Management, Production and Protection in Guatemala – PROBOSQUE was approved in 2015 with the following objective: "Contribute to integrated rural development in the country through investments to stipulate economic growth, support social and rural participation and income, protect and restore the natural resource base in the country, and strengthen local institutions and governance". This new incentives program has replaced PINFOR.

One of the areas covered by the PROBOSQUE Act is forest landscape restoration and for this reason efforts should be made to strengthen and implement these actions.

² The Bonn Challenge (a world movement to restore 150 million hectares of degraded and deforested lands by 2020) was launched in Bonn, Germany, in September 2011 by the Global Partnership on Forest Landscape Restoration.

Thus, it is necessary to develop a project proposal aimed at the implementation of forest landscape restoration actions through pilot restoration sites established in accordance with the "ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests", focused on 4 strategic forest ecosystems that have been prioritized by the National Forest Institute (INAB) and the National Council for Protected Areas (CONAP) - cloud forests, dry forests, pine-oak forests and mangrove forests.

1.2 Relevance

1.2.1 Conformity with ITTO's objectives and priorities

This project is consistent with the following objective set out in the International Tropical Timber Agreement (ITTA) 2006: "to promote the sustainable management of tropical timber producing forests". The project will carry out activities that are consistent with ITTO's mandate of promoting the conservation, rehabilitation and sustainable management of forests for the benefit of the world community, in particular, the communities living in forests and benefiting from their services.

Furthermore, project actions are consistent with the following ITTO objectives:

c) *Contributing to sustainable development and to poverty alleviation.* The project will help strengthen the capacities of rural communities to implement forest restoration practices aimed at reverting the most serious effects of forest loss and degradation. This in turn will improve the access of local communities to forest products, including firewood and non-timber forest products, thus benefitting the communities and enhancing the biological diversity of local natural habitats.

f) *Promoting and supporting research and development with a view to improving forest management and efficiency of wood utilization and the competitiveness of wood products relative to other materials, as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests.* The project will contribute to the development of research on forest landscape restoration, thus addressing weaknesses in the area and guiding restoration actions to achieve the country's objectives.

j) *Encouraging members to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources.* The project will directly contribute to this objective as it will build capacities and provide tools for the rehabilitation/restoration of degraded forest lands and the provision of goods and services required by the communities.

m) *Encouraging members to develop national policies aimed at sustainable utilization and conservation of timber producing forests, and maintaining ecological balance, in the context of the tropical timber trade.* The project will contribute to the production of information that will be highly useful for the development of national policies and strategies.

q) *Promoting better understanding of the contribution of non-timber forest products and environmental services to the sustainable management of tropical forests with the aim of enhancing the capacity of members to develop strategies to strengthen such contributions in the context of sustainable forest management, and cooperating with relevant institutions and processes to this end.* The project will contribute to the production of information that will be highly useful for the development of a National Forest Landscape Restoration Strategy as well as other future strategies focused on the rehabilitation or restoration of degraded forest areas in the country.

Moreover, the project is consistent with the ITTO Strategic Action Plan 2013-2018, in particular the following:

- *Strategic priority 2: Increase the contribution of tropical forests to national and local economies including through international trade.* The project will contribute to a cost-benefit analysis for forest landscape restoration, taking into consideration the goods and services provided by forests, in addition to contributing to the development of forest restoration incentive mechanisms.
- *Strategic priority 3. Enhance the conservation and sustainable use of biodiversity in tropical timber producing forests.* The project will contribute to promoting the improvement of forest biodiversity

and to enhancing the capacity of local communities for its conservation and sustainable utilization both inside and outside protected areas.

- *Strategic priority 4. Reduce tropical deforestation and forest degradation and enhance the provision of environmental services.* The project will contribute to improving data and knowledge regarding forest environmental services and their enhancement, as well as creating enabling conditions for reducing deforestation and forest degradation through forest landscape restoration.

As a guide, the project will use the ITTO/IUCN Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests, and will implement forest landscape restoration practices in pilot sites focusing on the principles and recommended actions related to each project activity.

The proposal is consistent with the objectives and criteria established for the Joint ITTO/CBD Collaborative Initiative, **established as a legally binding international treaty with three main objectives: biological diversity conservation, the sustainable use of its components and the fair and equitable distribution of benefits derived from the utilization of genetic resources that will provide for the implementation of activities aimed at** biodiversity conservation in tropical forests and the achievement of its overall objective, which is:

“To enhance biodiversity conservation in tropical forests with the direct participation of local stakeholders, addressing the main drivers of biodiversity loss in tropical forests: deforestation and forest degradation”.

Furthermore, the project will contribute to the achievement of the following key outputs and indicators:

Output	Indicators
1. Enhanced local capacity for biodiversity conservation in production forests and for the rehabilitation of degraded and secondary forests	<ul style="list-style-type: none"> • Improved conservation and sustainable use of tropical biodiversity in timber producing forests of participating countries. • Local capacity improved to promote restoration, management and rehabilitation of degraded and secondary tropical forests in the participating countries.
2. Improved conservation and management of protected areas, especially in association with buffering protected areas, and transboundary conservation	<ul style="list-style-type: none"> • Improved management of protected areas of selected participating countries, including participatory management of buffer zones and enhancement of transboundary biodiversity conservation.
3. Safeguarding tropical forest biodiversity in forestry interventions, including in REDD+ related projects	<ul style="list-style-type: none"> • Reduced rate of deforestation and forest degradation in the areas of influence of projects supported by the Initiative. • Enhanced adaptation and resilience of tropical forests to protect against the negative effects of human-induced impacts and climate change in participating countries.
4. Improved welfare of local communities and indigenous groups through biodiversity conservation and sustainable use of natural resources	<ul style="list-style-type: none"> • Livelihoods of forest-dependent communities of the areas of intervention significantly improved, based on the conservation and sustainable use of tropical forest biodiversity. • Local capacity improved to promote forest management, restoration, and rehabilitation of degraded and secondary forests, and participatory management of protected areas. • Local knowledge use in the sustainable use and conservation of natural resources in the areas of influence of the initiative.

In addition, this project conforms to the Strategic Plan for Biodiversity 2011-2020 and the Aichi Targets, and will specifically contribute to the achievement of the following targets:

Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible, brought close to zero, and degradation and fragmentation are significantly reduced.

Target 7: By 2020, areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity.

Target 14: By 2020, ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities and the poor and vulnerable.

Target 15: By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15% of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.

1.2.2 Relevance to the submitting country's policies

The Political Constitution of the Republic of Guatemala, in its Article 64, states that: "The conservation, protection and improvement of the natural heritage of the Nation shall be declared as a matter of national interest. The State shall promote the establishment of national parks, reserves and natural sanctuaries, which shall be inalienable assets. The protection of these areas and the fauna and flora resources therein shall be ensured by law".

The overall objective of Guatemala's Forest Policy is to "enhance socioeconomic benefits derived from forest ecosystem goods and services and contribute to land-use planning in rural areas by promoting production management and conservation of natural resources with special emphasis on forests and related resources such as biodiversity, water and soils, increasingly incorporating forest activities to the economic development of the country for the benefit of Guatemalan society as a whole". In the specific area of restoration, the policy is aimed at:

- Restoring areas suitable for forestry through forest restoration mechanisms and improving the productivity of the sector by promoting plantation forestry for competitive production purposes.

The National Biodiversity Policy has the following objective in its second area of action related to the conservation and restoration of biological diversity: "Establish and integrate mechanisms for *in situ* and *ex situ* conservation and restoration of biological diversity in its different components: ecosystems, species and genetic resources, taking into account that both mechanisms and their related actions should be mutually complementary".

The objective of the Forestry Law (Decree No. 101-96), as stated in its Article 1, is "... reforestation and forest conservation to promote forest development and sustainable forest management...". This Law provides for the establishment of the National Forest Institute – INAB as the agency responsible for the national forest service and the administration and protection of forest areas outside protected areas, specifically in relation to the issuing of forest harvesting permits, forest incentives, coordination of actions to control illegal activities, and the protection of forests. The legislation defines "restoration" as: "The process to return a degraded ecosystem or population to a state similar to its original condition".

The Framework Law to Regulate Reduction of Vulnerability, Compulsory Adaptation to Climate Change Effects and Mitigation of Greenhouse Gas Emissions (Decree No. 7-2013) has the following objective: "Establish necessary regulations to prevent, plan and respond to climate change effects in the country, in an urgent, adequate, coordinated and sustained manner".

The Law for Protected Areas (Decree No. 4-89), in its Article 1, states that: "Wildlife is an integral part of the natural heritage of all Guatemalans and therefore, its restoration, protection, conservation and management in duly planned areas is hereby declared as a matter of national interest". This Law established the Guatemalan System of Protected Areas – SIGAP, which comprises all protected areas and corresponding management bodies, whose organization and characteristics are stipulated by this law so as to achieve its objectives with a view to ensuring the conservation, rehabilitation, improvement and protection of natural resources throughout the country, particularly wild flora and fauna.

Decree No. 2-2015 – Law for the Promotion of Forest Establishment, Rehabilitation, Restoration, Management, Production and Protection in Guatemala – PROBOSQUE was approved in 2015 with the following objective: “Contribute to integrated rural development in the country through investments to stipulate economic growth, support social and rural participation and income, protect and restore the natural resource base in the country, and strengthen local institutions and governance”. PROBOSQUE has replaced PINFOR.

PROBOSQUE is seen as the country’s most powerful social and environmental public policy given its scope, continuity, social basis and synergy with other social and economic sectors. Furthermore, it is based on the credibility of the Forest Incentives Programme – PINFOR.

The proposed modalities to receive incentives through PROBOSQUE are:

- Natural forests for protection purposes (CC adaptation)
- Natural forests for production purposes
- Industrial and energy plantations
- Agroforestry systems in agricultural/cattle-raising landscapes
- Restoration of degraded areas by establishing and/or managing natural regeneration in riparian forests, secondary forests, mangrove forests and degraded forests.

1.3 Target Area

1.3.1 Geographic location

The Project will have national coverage and four pilot areas will be selected to implement planned activities in the **four** strategic ecosystems that were previously prioritized and identified: cloud forests, dry forests, pine-oak forests and mangrove forests.

Dry forests currently cover an area of 4,001 km² (3.76% of the total area of the country), having lost 75% of its historical forest cover. Dry regions are found in certain parts of 16 departments in Guatemala i.e. Huehuetenango, Quiché, Baja Verapaz, El Progreso, Zacapa, Izabal, Chiquimula, Chimaltenango, Guatemala, Jalpa, Jutiapa, Sata Rosa, Escuintla, Retalhuleu, Suchitepequez and San Marcos. The departments with the largest areas of dry ecological systems are El Progreso, Zacapa, Chiquimula, Jutiapa and Baja Verapaz.

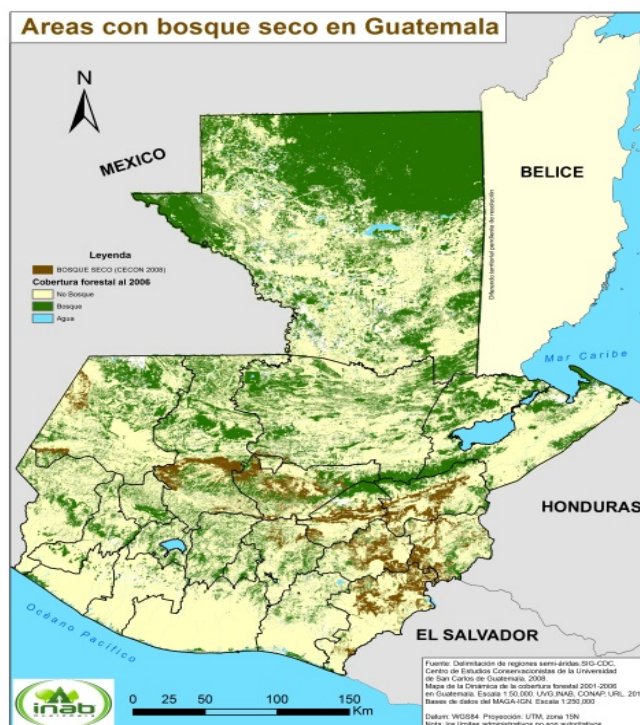


Figure 1. Map of dry forests in Guatemala

The pine-oak forest eco-region is one of the most widely distributed throughout Guatemala. These forests cover a great part of the central region of the country, which extends from San Marcos and Huehuetenango, bordering with Mexico, to the departments of Chiquimula and Zacapa, bordering Honduras and El Salvador, and which covers 246 municipalities belonging to 18 departments.

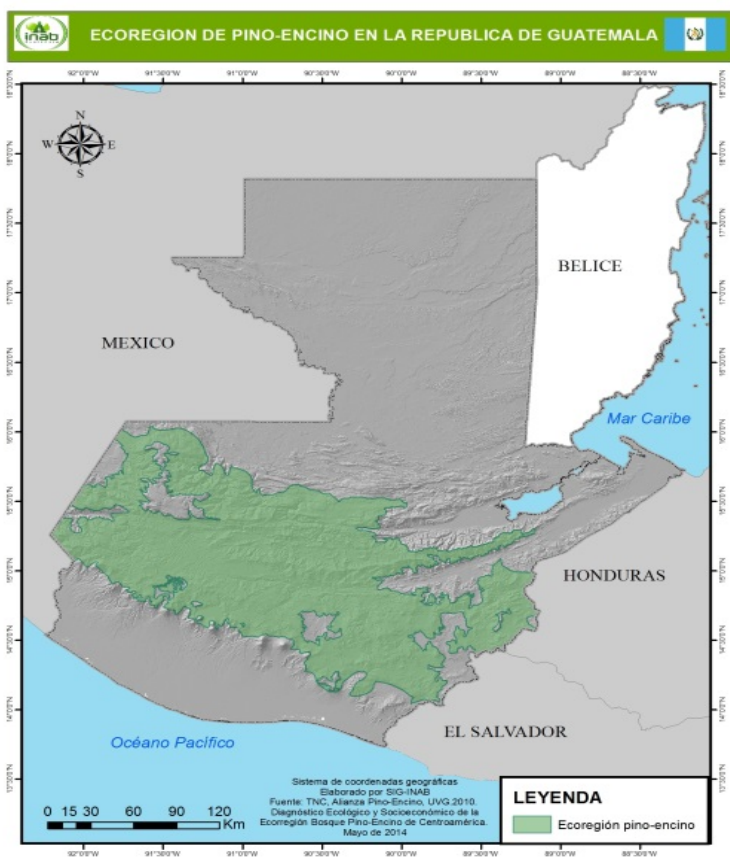


Figure 2. Map of pine-oak forests in Guatemala

Mangroves are forests that mark the transition between land and sea. Mangrove species are adapted to tolerate salinity and they are found in many of the coastal regions of the tropics. Mangrove forests in Guatemala are found along the Pacific and Caribbean coastal areas in the departments of San Marcos, Retalhuleu, Escuintla, Santa Rosa, Izabal and Jutiapa.

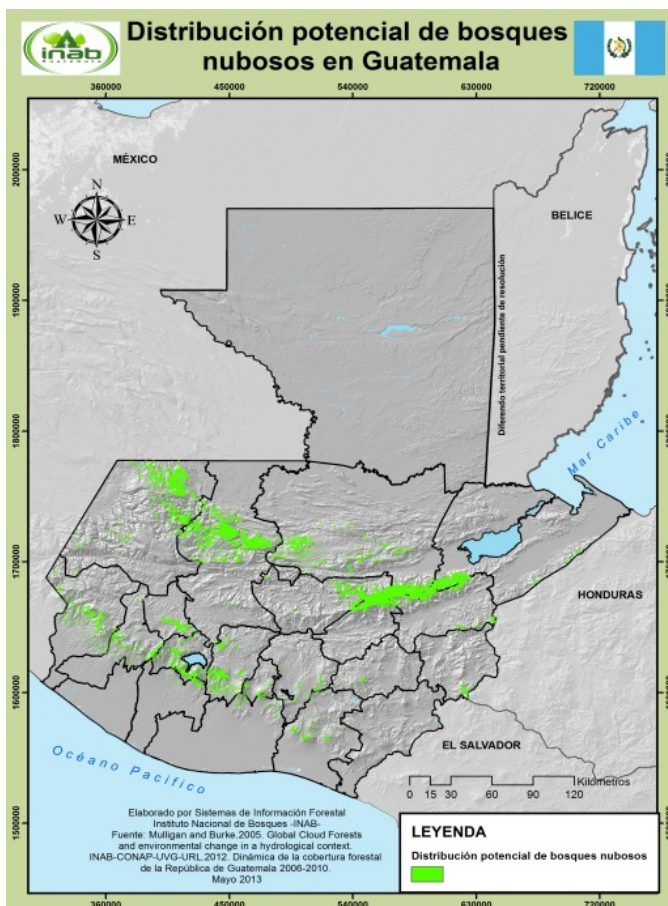
Figure 3. Map of mangrove forests on the south coast of Guatemala



Figure 4. Map of mangrove forests on the Atlantic coast of Guatemala



Figure 5. Map of cloud forests in Guatemala



Cloud forests in Guatemala are mainly located in the north-western altiplano, in the Verapaces area and the highlands of the north-eastern region, and in the volcanic range and surrounding areas, at altitudes of between 1,800 and 3,000 m.a.s.l., in places where there is a frequent presence of clouds throughout the year with rainfall levels of over 2,000 mm/year. The Cloud Forest corridor extends over a total area of 28,638,950 hectares, and it includes nine communities and eight private natural reserves.

1.3.2 Social, cultural, economic and environmental aspects

Social aspects: In 2013, Guatemala had a population of 15,468,203, which represented an increase of 385,372 people as compared to 2012, when the population was 15,082,831. Women are a majority with a total of 7,924,134 accounting for 51.22% of the total population, as compared to 7,544,069 men who represent 48.77%.

Poverty levels in the country are very high, with 51% of the population classified as poor and 15% of these as extremely poor. As much as 43% of Guatemalan children under 5 years of age suffer from chronic malnutrition (undersized for their age) and 16% suffer from severe malnutrition. This makes Guatemala the country with the highest percentage of chronically malnourished children in all of Latin America.

Based on an analysis of the demographic data available, it can be concluded that most of the population in Guatemala is rural, poor and involved in agricultural activities, making these people vulnerable to climate change as most agricultural activities depend on rainfall for their development. The population growth rate indicates that the number of people dependent on these activities will increase in the next few years and therefore the number of people affected by climate events will be higher.

Cultural aspects: The name "Guatemala" comes from the Nahuatl Quauhtlemallan language and it means "land of trees". In Guatemala 60% of the population is Ladino (mixed Mayan and Spanish descent) and the remaining 40% is of indigenous origin. The country has a high natural and cultural diversity, as within the national boundaries there are 22 different linguistic groups of Mayan origin, as well as Garifunas and Xincas peoples. The communities of Mayan origin have a vision of the forest that is linked to their cosmology and to the traditional use of forest goods and services, such as the consumption of firewood, timber for construction purposes, food and others.

Economic aspects: Forest resources and activities based on forest utilization have an impact on the country's economy. However, Guatemala's Gross Domestic Product (GDP), as the indicator of national wealth growth, has underestimated the contribution of the forest sector as it has only included forestry related activities and has not taken into account forest by-products and services. The forest GDP reports and describes forest economic activities in accordance with the National Accounting System (Sistema de Cuentas Nacionales –SCN), which for 2006 estimated that it was 0.93% of the total GDP. However, according to the Integrated Forest Accounting System (Cuenta Integrada de Bosque – CIB), which takes into account other forest production flows, such as non-timber forest products, reduced carbon emissions, recreational activities, biodiversity conservation and protection of soil and water resources, the contribution of forests was 2.58% in the same year³.

Environmental aspects: Guatemala has a total land area of 108,899 km², 60% of which has a mountainous relief. The country's ecological zones range from sea level to approximately 4,211 m.a.s.l. at the Tajumulco Volcano, which is the highest peak in Central America. The national forest cover amounts to 3,866,383 ha (35.5% of the total national land area), which includes broadleaved forests (82.25%), coniferous forests (9.95%) and mixed forests (7.80%). Broadleaved forests are dominated by primary or mature forests (57%) while coniferous and mixed forests mostly comprise advanced secondary forests⁴ (47% and 45% respectively). As much as 41% of forests are found in protected areas, mainly in the Mayan Biosphere Reserve and the Sierra de Minas Reserve.

More specifically, the proposed project intervention units can be summarized as follows:

³ Environmental Profile of Guatemala 2008-2009. Key environmental indicators and their relationship to development. Institute of Agriculture, Natural Resources and the Environment/Rafael Landívar University, Guatemala, 2009.

⁴ Forests with tree heights of more than 5 m that have not yet reached maturity and are dominated by saplings.

Description	Cloud forests	Dry forests	Mangrove forests	Pine-Oak forests
Social aspects	These moist forests are found in the departments of Huehuetenango (Sierra de los Cuchumatanes), San Marcos (Volcano Range), Quetzaltenango (Volcano Range), Quiché and Alta Verapaz (Sierra de las Minas), Baja Verapaz (Sierra de las Minas), Zacapa (Sierra de las Minas) and Izabal.	The country's dry forest regions include the following 16 departments: Baja Verapaz, Chimaltenango, Chiquimula, El Progreso, Escuintla, Guatemala, Huehuetenango, Izabal, Jalapa, Jutiapa, Quiche, Retalhuleu, San Marcos, Santa Rosa, Suchitepequez and Zacapa	In Guatemala, the departments with mangrove forests include: San Marcos, Retalhuleu, Escuintla, Santa Rosa, Suchitepéquez, Jutiapa Izabal.	The pine-oak forest eco-region is one of the most widely distributed throughout Guatemala. These forests cover a large part of the central region of the country, which extends from San Marcos and Huehuetenango, bordering with Mexico, to the departments of Chiquimula and Zacapa, bordering Honduras and El Salvador, and which covers 246 municipalities belonging to 18 departments.
Cultural aspects	Most of the population is Roman Catholic, although protestants have a strong presence together with Mayan beliefs and religious mysticism. The cosmovision and religious beliefs of the indigenous peoples provide for the use of forests as sources of food and livelihood, as well as the use of areas categorized and identified as sacred sites.	Most of the population is Roman Catholic, although protestants have a strong presence together with Mayan beliefs. There is a wealth of knowledge in these regions about the traditional use of plants for food and medicinal purposes.	The Pacific region is not considered to be indigenous territory, although there are Mayan-speaking population groups settled on lands near mangrove forests. The cultural dynamics of Izabal is quite different to the rest of the country. Its historical process has been completely different, even though the significance of this process has been a determining factor in the development of Guatemala.	These forests are currently the object of cultural claims by indigenous peoples who demand the right to self-management for their ancestral lands and the natural resources found therein.
Economic aspects	The economy of the region is based on agricultural products such as coffee, plantains, corn, brans, sugar cane, cacao, peanuts, bananas, chillies, rice, yuccas and Malanga; as well as on the production of furniture from different types of high-value and commodity timber species.	The agricultural products produced in the Cuilco region include: sugar cane, coffee, plantains, different types of bananas, wheat, peanuts, citrus fruits and other warm climate fruits. There is also an important honey producing industry in this region which is highly valued abroad.	The main economic activities of these coastal communities are fishing and services. They buy certain foods (corn and beans) and produce others on leased lands. They use energy sources and construction materials from mangrove forests, which in some cases they also sell.	Agriculture is the main economic activity of the municipalities of this eco-region. The main agricultural products are corn, beans, potatoes, coffee, and Chinese peas, among others. Cattle-raising activities are also important in this region.
Environmental	Upper altitudinal ranges	The main pressures	Mangrove forests	Environmental

aspects	occur at 2,400-2,600 meters, where pinabete (<i>Abies</i>), pine (<i>Pinus</i>), oak (<i>Quercus</i>), aliso (<i>Alnus</i>) and <i>Abies-Pinus</i> forests are found, depending on their degree of exposure and disturbance.	identified on conservation areas were: 1) Habitat fragmentation, 2) Destruction or loss of physical habitat, 3) Changes in the composition and structure of the community due to proximate causes, and 4) Changes in the composition and structure of the community due to climate change.	have been fragmented due to human intervention and their structure and composition are being modified due to variations in water flows (reduced flows during ebb-tide periods due to unregulated water use in upstream areas, mainly for irrigation purposes, and high deposits of sediments dragged downstream from deforested areas).	services have now become more significant and relevant, especially because these services are increasingly being recognized as a mechanism to enhance the value of forests and as a climate change adaptation and mitigation strategy.
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1.4 Expected outcomes at project completion

- The conservation and restoration of the country's forest cover will have been strengthened through the implementation of forest landscape restoration mechanisms that will help enhance forest biodiversity.
- Government and private investment in forest restoration activities will have been increased.
- The capacities of communities, organizations and the private sector to implement forest landscape restoration mechanisms will have been strengthened.
- Forest institutions will be in a position to promote forest landscape restoration.
- Academic institutions will be developing and transferring knowledge on forest landscape restoration.
- Society at large will have become aware of Guatemala's mechanisms and experiences on forest landscape restoration.

PART 2. PROJECT RATIONALE AND OBJECTIVES

2.1 Rationale

2.1.1 Institutional set-up and organizational issues

In 2011, FCG and INAB signed a letter of intent (in the process of being renewed) in order to:

- I) Establish the basis for technical and financial cooperation so as to implement joint actions in areas that meet mutual interests and capacities of both institutions, as well as to establish an administrative cooperation that will *inter alia* allow for the sharing of management experiences and provide support in the administration and intermediation of financial resources, from both institutional sources and national and international cooperation sources.**
- II) Develop and promote the implementation of a joint action plan based on the potential and strengths of each institution.**
- III) Facilitate the implementation of specific joint forest management and conservation actions, so as to strengthen national capacities and ensure that the country has better tools at its disposal to face current challenges, including the conservation of forest resources.**

The joint cooperation actions that have been currently identified include the following:

- I. Sharing of information and technical and scientific coordination between both institutions.**
- II. Seeking and negotiating funding for the implementation of programs and projects arising from the current Cooperation Agreement.**
- III. Jointly managing and promoting financing from cooperating countries and organizations, as well as from government and non-government organizations for the implementation of activities proposed within the framework of the current Cooperation Agreement.**

It is within the framework of this joint cooperation that FCG will implement this project, based on its technical and administrative capacities, the experience gained over 12 years in the management of the Fund for the Conservation of Tropical Forests and the specialized skills of the country's main public governing body in the field of forestry.

Given the authority and technical capacity of INAB, the technical coordination of the project will be led by the Head of the Forest Restoration Department and therefore both FCG and INAB will be responsible for project outputs and for ensuring compliance with the key indicators and assumptions outlined in this project proposal.

The FCG staff that will directly participate in the project will include a Technical Project Officer and an Operational Administrative Officer, who will provide support as required for the implementation of project activities. Furthermore, FCG will support the project with the use of its installed capacity and the indirect involvement of the rest of its staff.

As the collaborating agency, the National Forest Institute (INAB) will support the project through the special collaboration of its staff and by providing technical assistance through the Forest Management and Conservation Directorate and its Forest Restoration Department, which are responsible for the promotion and development of technical guidelines for the implementation and monitoring of restoration activities at the national level aimed at the rehabilitation of environmental goods and services, as well as through the Department for Strategic Forest Ecosystems. This Department is responsible for promoting the protection, conservation and sustainable use of strategic forest ecosystem areas that provide environmental goods and services to society. In addition, the project will have the support of INAB's Forest Research Department, **particularly in relation to component 2 which will allow for the implementation of research initiatives in the prioritized areas.**

To address the issue of forest landscape restoration, the Government of Guatemala has **set up** a coordinating committee made up of representatives from the Ministry of Agriculture, Livestock and Food (MAGA), the National Forest Institute (INAB), the National Council for Protected Areas (CONAP) and the Ministry of the Environment and Natural Resources (MARN), with secretariat services provided by the National Forest Programme (PFN). The main objective of this committee is to develop a National Forest Landscape Restoration Strategy for Guatemala using a participatory approach. The Forest Landscape Restoration Board serves as a General Assembly of the forest sector, specifically in the field of forest

landscape restoration. It serves as the consultation and validation agency in the preparation and formulation of the National Forest Landscape Restoration Strategy.

The Forest Landscape Restoration Board will be responsible for the implementation of the Strategy and the coordination of related monitoring and evaluation activities with the participation of other support stakeholders, such as international cooperation organizations, Legislative Commissions and other agencies of the Guatemalan government, civil society and the private sector as required.

This Board comprises a balanced representation of sectors interested in addressing the problem of forest degradation by promoting and facilitating restoration actions. These include:

- Government institutions
- Academia
- Municipalities
- Indigenous peoples
- Local communities
- NGOs
- Private sector

The private sector is also represented at the Forest Landscape Restoration Board through the Coordinating Committee of Agricultural, Trade, Industry and Financial Associations (*Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras – CACIF*), the Environmental Management Group, the Forestry Association and the Private Institute for Climate Change Research (ICC).

2.1.2 Stakeholder analysis

It is considered that the following stakeholders and potential beneficiaries will be the basis for the implementation of project activities, ensuring equitable involvement of both men and women at the individual and local organization levels.

Group of Stakeholders	Characteristics	Problems, needs, interests	Potential	Involvement in the project
Primary stakeholders				
Forest resource owners	Men and women who are the owners of lands with forest resources; limited economic means; they apply traditional forest management practices and have limited capacity to implement forest restoration mechanisms.	Inadequate silvicultural management; insufficient resources; lack of working capital and training; limited knowledge on forest landscape restoration.	Interested in improving their economic situation without degrading the forest resource base and maximizing benefits derived from forest landscape restoration.	Primary project beneficiaries.
Communities (including men and women)	Settled in areas close to forests, they have limited economic capacity; even though they are aware that they must preserve the forest resources, some of them harvest their forests without adequate management plans; they have limited capacity to implement forest restoration mechanisms.	Lack of working capital and training; limited knowledge on forest landscape restoration.	Interested in improving their economic situation without degrading the forest resource base and maximizing benefits derived from forest landscape restoration.	Primary project beneficiaries

Group of Stakeholders	Characteristics	Problems, needs, interests	Potential	Involvement in the project
Co-managers of protected areas	Technical, administrative and institutional authorities responsible for supporting and coordinating the management of protected areas.	They are interested in improving their access to technical and financial resource management for protected areas.	They represent a space for greater participation of civil society in the management of natural resources and legitimacy in management activities.	Project beneficiaries
Secondary stakeholders				
Forest government sector	Responsible for forest law enforcement, although it lacks effective means to implement forest landscape restoration actions.	Insufficient instruments and effective joint plans for forest landscape restoration.	In charge of providing technical assistance through the design and promotion of strategies and actions aimed at forest restoration.	Direct involvement in project implementation
Private sector	They are extremely concerned about the responsible management of natural resources.	They are interested in the responsible management and conservation of natural resources and in sustainable community development.	They can benefit from access to financial mechanisms for restoration.	Directly involved in project implementation
Community organizations	They are extremely concerned about the conservation and protection of natural resources and actively participate in social development activities; they have community organizations (COCODES and Associations).	Lack of technical capacity and spaces for verifying the legality of forest operations.	They are in close contact with the communities and are willing to support the implementation of the project.	Direct involvement in project implementation
Academic sector	Responsible for academic training and research; they generate knowledge and carry out research activities in the area.	Limited documentation available on forest landscape restoration.	Significant partners in the implementation of the project as they generate information on forest landscape restoration.	Direct involvement in project implementation
NGOs	They are extremely concerned about natural resources and actively participate in social development activities	Interested in local development and in providing technical assistance to the communities	They are in close contact with the communities and are willing to support the implementation of the project.	Active participants in providing technical support to the communities and indigenous peoples.
Local governments	They own lands with forest resources that are harvested by the communities; they sometimes have municipal forest offices.	Very interested in improving forest governance and reducing social conflicts.	They can become excellent agents for the promotion of civil society participation.	They can provide community participation spaces

2.1.3 Problem analysis

In Guatemala, **the degradation of forest ecosystems has steadily increased** since the 1950s. According to the last forest cover dynamics survey, in 2010 the country had a forest cover of 3,722,595 hectares, representing 34.2% of the national territory. During the 2001-2006 period, the annual deforestation rate was estimated at 48,084 hectares; for the period 2006-2010 it was estimated that 38,597 hectares were lost each year. These figures represent a net loss of 146,112 hectares of forest, which is equivalent to a net deforestation rate of 1.0% annually at the national level (with respect to existing forests in 2006)⁵.

Despite the efforts made and objectives achieved in the areas of reforestation, forest conservation and forest management, the degradation of forest ecosystems continues at an accelerated rate. It is therefore necessary to implement new initiatives and create new instruments for the restoration of forest landscapes under an integrated approach to guide all activities related to the restoration of forest landscapes throughout the country.

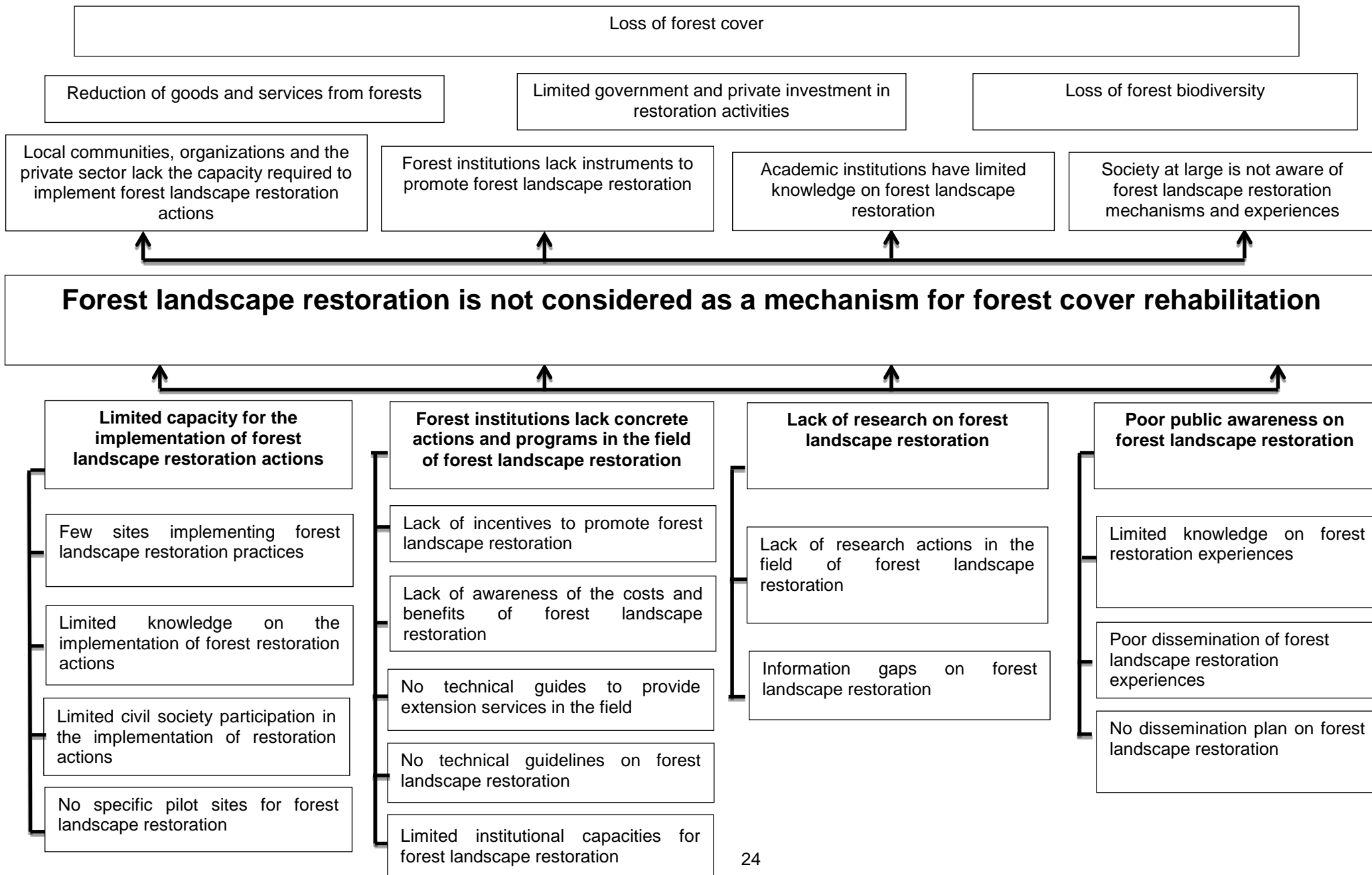
The institutions responsible for the forest sector still **lacked** planning instruments or programs specifically aimed at the promotion of forest landscape restoration; **however, with the adoption and implementation of the Probosque Act, there is now a state financial mechanism that provides for the promotion of practices and projects of this nature. On the other hand, it must also be recognized that** there is still a lack of basic information on this topic **and that there is still a need** to strengthen technical capacities. Furthermore, the lack of clear and concise guidelines, adapted to local conditions, has also hampered the promotion of forest restoration at the national level.

Forest resource owners and local communities do not have the capacity or the tools required to implement actions aimed at the restoration of forest landscapes. In addition, very limited information is available on specific sites that have successfully implemented forest landscape restoration actions so that they can be applied in the country and provide clear guidelines for the implementation and replication of these practices. The lack of research on forest landscape restoration at the national level, including on ecological, economic and social aspects, has also made it difficult to guide restoration activities towards a specific end result and to overcome the weaknesses of the system. In addition, a research program would guide the institutions towards applied research and towards the integration of scientific and traditional knowledge in the management and monitoring of forest landscape restoration activities.

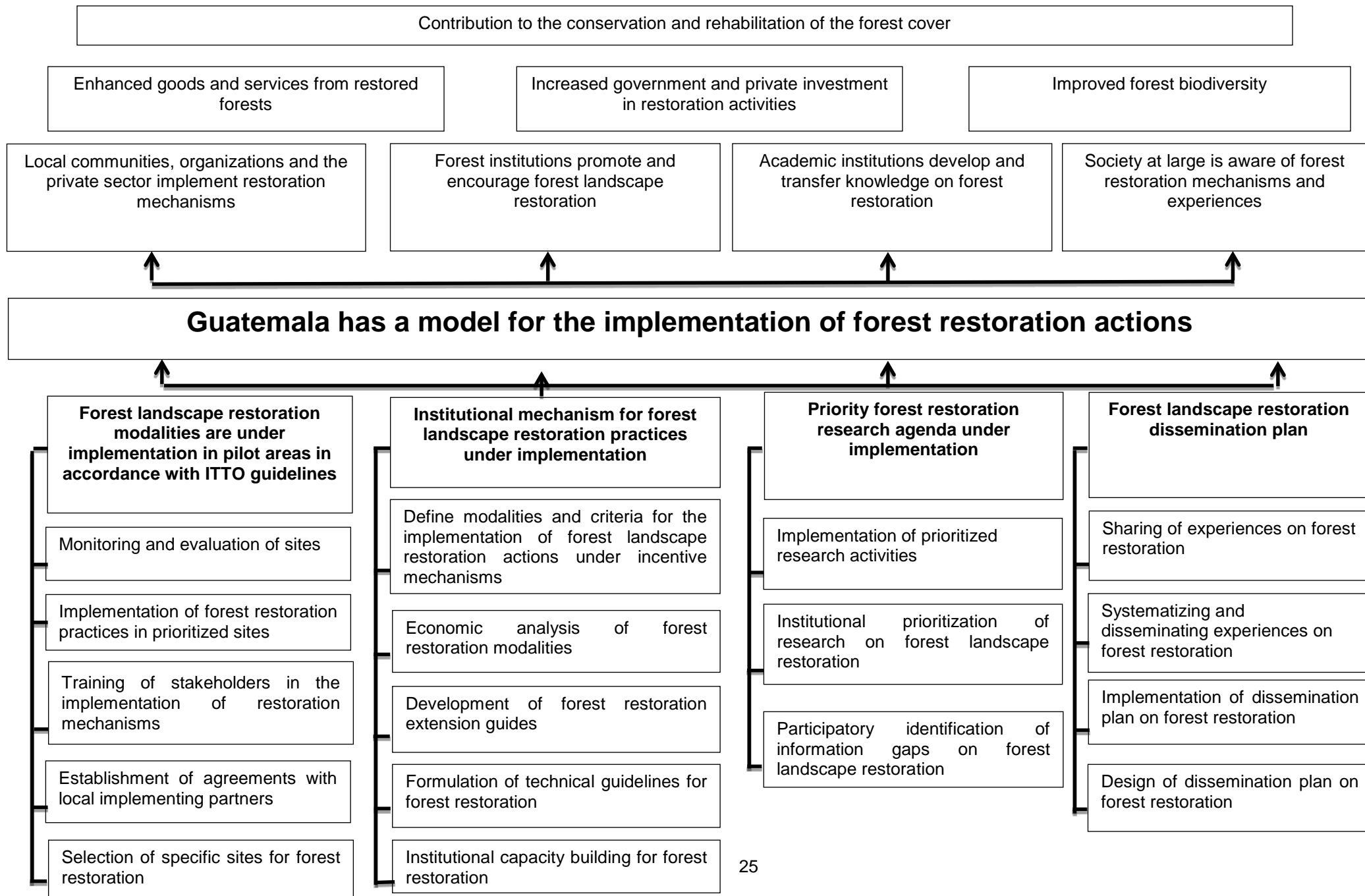
There are no precise national statistics on the positive environmental, economic and social impact of forest landscape restoration in Guatemala. There is no clear measurement of the effects that this can have in the livelihoods of the rural populations in the country and on the development and quality of life of society in general. As a result, the population at large has an erroneous perception of this issue and it is therefore necessary for the State, environmental institutions and society in general to become aware of the significance and value of forest landscape restoration practices, thus ensuring that their sustainability in the long term.

⁵ Map of Forest Cover of Guatemala 2010 and Forest Cover Dynamics 2006-2010. University of the Valley of Guatemala /National Forest Institute /National Council for Protected Areas /Rafael Landivar University. Guatemala, April 2012.

Problem Tree



Objectives Tree



2.1.4 Logical framework matrix

Intervention Strategy	Measurable indicators	Means of Verification	Key Assumptions
<p>Development objectives: Reduce forest degradation and improve the restoration of forest ecosystems in Guatemala.</p>	<ul style="list-style-type: none"> The restoration of the forest landscape has helped reduce the annual deforestation rate from 1% to 0.9%. At least 30 protected areas have forest landscape restoration models included in their planning instruments. 	<ul style="list-style-type: none"> INAB statistics. Map of forest cover 	<p>By 2015, the PROBOSQUE Act has been approved to provide incentives for forest restoration.</p> <p>By 2018 there is an updated Forest Cover Map available.</p>
<p>Specific objective: Improve forest landscape restoration actions through the implementation of a forest restoration mechanism based on ITTO guidelines with the broad participation of key stakeholders in prioritized strategic ecosystems.</p>	<ul style="list-style-type: none"> Local communities, the private sector and civil society organizations are applying ITTO guidelines for forest landscape restoration in at least 60 hectares of pilot areas. At least one forest sector institution has a forest landscape restoration support program. 	<ul style="list-style-type: none"> Pilot sites established Forest landscape restoration support program <u>strengthened and disseminated</u> 	<p>The Ministry of Agriculture, Livestock and Food and the Ministry of Public Finance provide financial resources required by INAB <u>to support the implementation of project activities through technical assistance.</u></p> <p>The International Tropical Timber Organization (ITTO) supports Phase II with funds to complete and finalize the project.</p>
<p>Output 1: Restoration modalities have been implemented in pilot areas in prioritized strategic ecosystems following ITTO guidelines.</p>	<ul style="list-style-type: none"> By the end of the first year of the project, at least 2 memoranda of understanding have been established with local stakeholders for the implementation of pilot sites. By the end of the project, at least 360 people (including men and women) have been trained in the implementation of forest restoration mechanisms. By the end of the project, at least 60 hectares of pilot sites have been established for the implementation of forest landscape restoration actions in accordance with ITTO guidelines. 	<ul style="list-style-type: none"> Memoranda of understanding List of participants Training report Hectares established. 	<p>There are no extreme climatic events during the project implementation period.</p> <p>Support from the target population and empowerment of communities for the implementation of forest landscape restoration activities.</p>

<p>Output 2: Institutional mechanism for forest landscape restoration practices under implementation</p>	<ul style="list-style-type: none"> • By the end of the first year of the project, there is <u>an updated</u> technical guidelines document available for the implementation of forest landscape restoration activities <u>in the prioritized forest ecosystems</u> • By the end of the third year of the project, at least 240 institutional technicians have been trained in forest landscape restoration. • During the third year of the project, forest restoration extension guides have been developed. 	<ul style="list-style-type: none"> • Technical guidelines document <u>updated</u>. • Lists of participants • Training reports • Forest landscape restoration extension guides 	<p>There are no changes in the administration of government forest institutions</p>
<p>Output 3: The implementation of a priority research agenda on forest landscape restoration has been initiated.</p>	<ul style="list-style-type: none"> • By the end of the project, at least 20 key research activities have been implemented on forest landscape restoration within the framework of the priority research agenda for academic institutions. • At the end of the project, at least 4 key studies on forest landscape restoration published in the ITTO Tropical Forest Update (TFU) and at least 2 published in other journals. 	<ul style="list-style-type: none"> • Research document 	<p>Academic institutions support and closely follow up the issue of forest landscape restoration.</p>
<p>Output 4: A dissemination plan has been implemented to promote forest landscape restoration.</p>	<ul style="list-style-type: none"> • By the end of the project, there is a forest restoration dissemination plan under implementation. • By the end of the project, at least 5 forest restoration experiences have been systematized and disseminated. • By the end of the project, at least 60 key stakeholders (communities, civil society, institutions and universities) have become aware of forest landscape restoration experiences in the field. 	<ul style="list-style-type: none"> • Forest restoration dissemination plan • Outreach material on forest restoration experiences (leaflets, posters, radio spots, videos, interviews, etc.) • Lists of participants. • Document on forest landscape restoration experiences 	<p>The communities agree and are willing to share their experiences.</p>

2.2 Objectives

2.2.1 Development objective and impact indicators

Reduce forest degradation and improve the restoration of forest ecosystems in Guatemala.

- The restoration of the forest landscape has helped reduce the annual deforestation rate from 1% to 0.9%.
- Forest landscape restoration models for at least 4 ecosystems have been included in their planning instruments.

2.2.2 Specific objective and outcome indicators

Improve forest landscape restoration actions through the implementation of a forest restoration mechanism based on ITTO guidelines with the broad participation of key stakeholders in prioritized strategic ecosystems.

- Local communities, the private sector and civil society organizations are applying ITTO guidelines for forest landscape restoration in at least 60 hectares distributed across the 4 target ecosystems (pine-oak forests, mangrove forests, dry forests and cloud forests) based on technical criteria established during the first year of project implementation.
- At least one forest sector institution has a forest landscape restoration support program.

PART 3. DESCRIPTION OF PROJECT INTERVENTIONS

3.1 Outputs and activities

3.1.1 Outputs

- Output 1. Restoration modalities have been implemented in pilot areas in 4 prioritized strategic ecosystems following ITTO guidelines.
- Output 2. Institutional mechanism for forest landscape restoration practices under implementation.
- Output 3: The implementation of a priority research agenda on forest landscape restoration has been initiated.
- Output 4. A dissemination plan has been implemented to promote forest landscape restoration.

3.1.2 Activities

Output 1. Restoration modalities have been implemented in pilot areas in prioritized strategic ecosystems following ITTO guidelines.

- Activity 1.1 Select specific sites for forest landscape restoration based on the criteria established for each ecosystem.
- Activity 1.2 Establish agreements with local implementing partners.
- Activity 1.3 Train stakeholders in the implementation of forest landscape restoration mechanisms.
- Activity 1.4 Implement forest landscape restoration practices in prioritized sites.
- Activity 1.5 Monitor and evaluate pilot sites.

Output 2. Institutional mechanism for forest landscape restoration practices under implementation.

- Activity 2.1 Build institutional capacities for forest landscape restoration.
- Activity 2.2 **Update** technical guidelines for forest landscape restoration **incorporating** the relevant ITTO Guidelines.
- Activity 2.3 Develop forest landscape restoration extension guides.
- Activity 2.4 Evaluate technical criteria for restoration modalities of incentive mechanisms under the PROBOSQUE Act.

Output 3: The implementation of a priority research agenda on forest landscape restoration has been initiated.

- Activity 3.1 **Within the framework of the National Forest Restoration Research Agenda, identify information gaps in the field of forest landscape restoration so as to implement relevant activities in each prioritized ecosystem.**
- Activity 3.2 Carry out the institutional prioritization of research on forest landscape restoration **for each prioritized ecosystem.**
- Activity 3.3 Implement key priority research on forest landscape restoration **for each prioritized ecosystems.**
- Activity 3.4 Develop scientific articles on research on forest landscape restoration in the four prioritized ecosystems for publication in ITTO's TFU and other journals.

Output 4. A dissemination plan has been implemented to promote forest landscape restoration.

- Activity 4.1 Design a dissemination plan to promote forest landscape restoration.
- Activity 4.2 Implement a forest landscape restoration dissemination plan.
- Activity 4.3 Systematize and disseminate forest landscape restoration experiences.
- Activity 4.4 Share experiences on forest landscape restoration.
- Activity 4.5 Link project outputs and outcomes to ITTO's knowledge management system.

3.2 Implementation approaches and methods

Project activities will be implemented in two phases by strengthening the capacity of **FCG and INAB** and various forest sector stakeholders. The project will adopt a participatory approach involving the participation of stakeholders, strengthening the capacities of forest resource owners and rural communities through the exchange and transfer of experiences and techniques.

The following measures will be taken during project implementation to develop this approach:

Strategic partnerships: a series of workshops and meetings will be held with key stakeholders from the civil society, local government and government institutional sectors, as they are directly related to the target beneficiaries to establish mechanisms for the coordination and joining of efforts.

Forest Landscape Restoration Board: made up of representatives of national and international stakeholders related to the forest sector in Guatemala and involved or interested in forest landscape restoration activities.

This Board comprises a balanced representation of sectors interested in addressing the problem of forest degradation by promoting and facilitating restoration actions. They include:

- Government institutions
- Academia
- Municipalities
- Indigenous peoples
- Local communities
- NGOs
- Private sector
- International cooperation agencies

Consultation and validation processes: the adjustment and development of new instruments will require consultation and validation through workshops and interviews with key stakeholders and beneficiaries.

Implementation of pilot sites for forest landscape restoration: project actions will be implemented in 4 pilot sites located in different regions and ecosystems at the national level: 1 pilot site in a pine-oak forest area; 1 pilot site in a mangrove forest area; 1 pilot site in a cloud forest area; and 1 pilot site in a dry forest area. The ITTO Guidelines on the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests will be used to guide the implementation of activities.

The implementation of the project will be divided into two phases. The first phase will focus on the implementation of actions to restore forest landscapes in pine-oak and cloud forest ecosystems, so that restoration actions may be replicated in dry forests and mangrove ecosystems building on the experience.

The criteria to be used for the selection of pilot sites will include environmental, social and **economic considerations as follows:**

Environmental considerations:

- Selected sites should be included within the map of potential areas for forest landscape restoration.
- Selected sites should be prioritized according to the conservation strategies and management plans established for each ecosystem.
- Selected sites should be considered as significant or key areas for biodiversity conservation.
- Selected sites should be considered as fragile or highly vulnerable areas.
- Selected sites should be home to species that have been prioritized in Forest Incentive Programmes, and the work on native forest species should be prioritized.

Social considerations:

- Priority should be given to sites where local stakeholders have expressed interest in participating in the implementation and monitoring of landscape restoration actions.
- Selected sites should have been subject to actions coordinated between local and municipal authorities so as to ensure the sustainability of pilot projects.
- Pilot sites should have evidence of development impacts on the communities settled in the region.
- Pilot sites should have social stability (conflict-free areas).

Economic considerations:

- Pilot sites should have evidence of a link between local development and forest management actions.

Technical guidelines for forest landscape restoration: a technical instrument will be **updated** to guide forest landscape restoration **in the prioritized ecosystems** on the basis of ITTO Guidelines. This will facilitate the harmonization of criteria and standards in pilot sites and the replication of positive outcomes in other priority ecosystems and areas.

Knowledge strengthening: it is expected that the training, technical assistance and information to be provided will help improve the knowledge base on sustainable forest management and on what this represents for improving forest governance. **In addition, an online course will be developed that will provide a training platform for institutional technical staff.**

During the first phase of the project, actions will be implemented to strengthen institutional capacities for the implementation of forest landscape restoration actions, which will promote and technically assist the restoration of forest landscapes.

Forest culture: An awareness-raising program will be implemented at various levels through different dissemination and communication media to promote a forest restoration culture in society.

For the second phase of the project, forest landscape restoration dissemination and socialization actions will be implemented through the systematization and sharing of successful experiences in the field.

3.3 Work Plan

Activity	Responsible Party	PHASE I								PHASE II							
		Year 1				Year 2				Year 3				Year 4			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Output 1. Restoration modalities have been implemented in pilot areas in prioritized strategic ecosystems following ITTO guidelines.																	
A.1.1. Select specific sites for forest landscape restoration based on the criteria established for each ecosystem	Project Coordinator /Forest landscape restoration consultant																
A.1.2. Establish agreements with local implementing partners	Project Coordinator /Project technical assistant																
A.1.3. Train stakeholders in the implementation of forest landscape restoration mechanisms	Project Coordinator /Forest landscape restoration consultant																
A.1.4. Implement forest landscape restoration practices in prioritized sites	Project Coordinator /Forest landscape restoration consultant																
A.1.5. Evaluate and monitor pilot sites	Project Coordinator /Project technical assistant																
Output 2. Institutional mechanism for forest landscape restoration practices under implementation																	
A.2.1. Build institutional capacities for forest landscape restoration	Project Coordinator /Project technical assistant																

A.2.2. Update technical guidelines for forest landscape restoration incorporating the relevant ITTO Guidelines.	Project Coordinator /Forest landscape restoration consultant																		
A.2.3. Develop forest landscape restoration extension guides	Project Coordinator /Forest landscape restoration consultant																		
A.2.4. Evaluate technical criteria for restoration modalities of incentive mechanisms under the PROBOSQUE Act	Project coordinator /Consultant	-	-	-	-	-	-	-	-	-	-	-	-	-					
Output 3: The implementation of a priority research agenda on forest landscape restoration has been initiated																			
A.3.1. <u>Within the framework of the National Forest Restoration Research Agenda, identify</u> information gaps in the field of forest landscape restoration <u>so as to implement relevant activities in each prioritized ecosystem.</u>	Project Coordinator /Research Consultant																		
A.3.2. Carry out the institutional prioritization of research on forest landscape restoration <u>for each prioritized ecosystem.</u>	Project Coordinator /Research Consultant																		
A.3.3. Implement key priority research on forest landscape restoration <u>for each prioritized ecosystem.</u>	Project Coordinator																		
A.3.4 Develop scientific articles on research on forest landscape restoration in the four prioritized ecosystems for publication in ITTO's TFU and other journals																			

Output 4. A dissemination plan has been implemented to promote forest landscape restoration																		
A.4.1. Design a dissemination plan to promote forest landscape restoration	Project Coordinator /Communication Consultant																	
A.4-2. Implement a forest landscape restoration dissemination plan	Project Coordinator /Project Technical Assistant																	
A.4.3. Systematize and disseminate forest landscape restoration experiences	Project Coordinator /Experience Systematization Consultant																	
A.4.4. Share experiences on forest landscape restoration	Project Coordinator /Project Technical Assistant																	
A 4.5 Link project outputs and outcomes to ITTO's knowledge management system.	Project Coordinator /Project Technical Assistant																	

3.4 Budget

3.4.1 Master budget

Output /Activity	Description	Budget Component	Quantity				Unit	Unit Cost	Total Cost	ITTO				EA
			Year 1	Year 2	Year 3	Year 4				Year 1	Year 2	Year 3	Year 4	
Output 1	Restoration modalities have been implemented in pilot areas in prioritized strategic ecosystems following ITTO guidelines													
A.1.1	Select specific sites for forest landscape restoration based on the criteria established for each ecosystem													
	Drafting of specific maps for each pilot ecosystem	61	2	0	2	0	Map	50	200	0.0	0.0	0.0	0.0	200.0
	4 dissemination workshops on pilot site selection proposal (40 people, 1 day)	61	50	0	110	0	Person/day /meals	20	3200	1000	0.0	2200	0.0	0.0
A.1.2	Establish agreements with local implementing partners													
	4 meetings with local partners to establish agreements (15 people, 1 day)	61	30	0	30	0	Person/day /meals	15	900	450	0.0	450	0.0	0.0
A.1.3	Train stakeholders in the implementation of forest landscape restoration mechanisms													
	Forest restoration consultant to develop training program	13	2	0	2	0	Person-month	2000	8000	4000	0.0	4000	0.0	0.0
	12 training workshops on the implementation of forest landscape restoration mechanisms (3 workshops per site, 1 day, 30 people)	61	180	0	180	0	Person/day /meals	20	7200	3600	0.0	3600	0.0	0.0
	Audio-visual equipment	44	4	0	0	0	Equipment	900	3600	3600	0.0	0.0	0.0	0.0
	Portable computer equipment (Laptop 4G RAM, 500 GB Hard Disk, 2.5 GHZ Processor, including desk, printer, chair and bag/case)	44	4	0	0	0	Equipment	1500	6000	6000	0.0	0.0	0.0	0.0
A.1.4	Implement forest landscape restoration practices in prioritized sites													

Output /Activity	Description	Budget Component	Quantity				Unit	Unit Cost	Total Cost	ITTO				EA
			Year 1	Year 2	Year 3	Year 4				Year 1	Year 2	Year 3	Year 4	
	<u>Project technical assistant</u>	12.1	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>Person-month</u>	<u>1500</u>	<u>36000</u>	<u>9000</u>	<u>9000</u>	<u>9000</u>	<u>9000</u>	<u>0.0</u>
	1 vehicle for the implementation of forest landscape restoration practices (dual-cabin 4x4 pick-up truck)	43	1	0	0	0	Vehicle	27000	27000	27000	0.0	0.0	0.0	0.0
	Inputs for the establishment of 4 pilot sites	61	2	0	2	0	Lump sum	2000	8000	4000	0.0	4000.0	0.0	0.0
A.1.5	Monitor and evaluate pilot sites													
	<u>Project technical assistant</u>	<u>12.1</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>Person-month</u>	<u>1500</u>	<u>36000</u>	<u>9000</u>	<u>9000</u>	<u>9000</u>	<u>9000</u>	<u>0.0</u>
Output 2	Institutional mechanism for forest landscape restoration practices under implementation													
A.2.1	Build institutional capacities for forest landscape restoration													
	Forest restoration consultant	13	4	0	2	0	Person-month	2000	12000	8000	0.0	4000	0.0	0.0
	12 training workshops for institutional technicians (30 people, 1day)	61	150	0	210	0	Person/day /meals	20	7200	3000	0.0	4200	0.0	0.0
A.2.2	Update draft technical guidelines for forest landscape restoration incorporating the relevant ITTO Guidelines													
	Forest restoration consultant	13	4	0	0	0	Person-month	2000	8000	8000	0.0	0.0	0.0	0.0
	4 consultation and validation workshops (30 people, 1 day)	61	120	0	0	0	Person/day /meals	20	2400	2400	0.0	0.0	0.0	0.0
A.2.3	Develop forest landscape restoration extension guides													
	Forest restoration consultant	13	0	0	3	0	Person-month	2000	6000	0.0	0.0	6000.0	0.0	0.0
	Design and printing of forest landscape restoration extension guides	61	0	0	0	400	Guides	20	8000	0.0	0.0	0.0	8000.0	0.0
A.2.4	Evaluate technical criteria for restoration modalities of incentives mechanisms under the PROBOSQUE Act													

Output /Activity	Description	Budget Component	Quantity				Unit	Unit Cost	Total Cost	ITTO				EA
			Year 1	Year 2	Year 3	Year 4				Year 1	Year 2	Year 3	Year 4	
	Consultant to evaluate technical criteria	13	0	0	4	0	Person-month	2000	8000	0.0	0.0	0.0	8000	0.0
	8 consultation and validation workshops (30 people, 1 day)	61	0	0	120	120	Person/day/meals	20	4800	0.0	0.0	2400	2400	0.0
	4 technical meetings with key stakeholders (15 people, 1 day)	61	0	0	0	60	Person/day/meals	20	1200	0.0	0.0	0.0	1200	0.0
Output 3	The implementation of a priority research agenda on forest landscape restoration has been initiated													
A.3.1	<u>Within the framework of the National Forest Restoration Research Agenda, identify information gaps in the field of forest landscape restoration so as to implement relevant activities in each prioritized ecosystem.</u>													
	Research Consultant	13	3	0	0	0	Person-month	2000	6000	6000	0.0	0.0	0.0	0.0
	4 consultation and validation workshops (30 people, 1 day)	61	120	0	0	0	Person/day/meals	20	2400	2400	0.0	0.0	0.0	0.0
A.3.2	Carry out the institutional prioritization of research on forest landscape restoration for each prioritized ecosystem													
	8 technical consultation workshops (20 people/day)	61	80	80	0	0	Person/day/meals	20	4800	2400	2400	0.0	0.0	0.0
	Printing of priority research agenda on forest landscape restoration	61	0	200	200	0	document	10	4000	0.0	2000	2000	0.0	0.0
A.3.3	Implement key priority research on forest landscape restoration for each prioritized ecosystem													
	Sub-contract (research for thesis and graduate degree work on forest restoration)	21	4	4	6	6	Sub-contract amount	4500	90000	18000	18000	27000	27000	0.0
	Forestry measurement equipment	44.2	1	1	0	0	equipment	2500	5000	2500	2500	0.0	0.0	0.0
	Hydro-biological measurement equipment	44.2	0	0	1	0	equipment	3000	3000	0.0	0.0	3000.0	0.0	0.0
	Audio-visual equipment (photographic camera)	44	1	0	0	0	equipment	1050	1050	1050	0.0	0.0	0.0	0.0
	Motorcycles and equipment	43	3	0	0	0	Motorcycle	3000	9000	9000	0.0	0.0	0.0	0.0

Output /Activity	Description	Budget Component	Quantity				Unit	Unit Cost	Total Cost	ITTO				EA
			Year 1	Year 2	Year 3	Year 4				Year 1	Year 2	Year 3	Year 4	
	Materials and inputs (adhesive, marking tape, paint, iron, forest tags)	61	1	1	1	1	materials	2000	8000	2000	2000	2000	2000	0.0
A.3.4	Develop scientific articles on research on forest landscape restoration in the four prioritized ecosystems for publication in ITTO's TFU and other journals													
	Publication of articles in other journals	61	0	0	0	2	Article publication	2000	4000	0.0	0.0	0.0	4000	0.0
Output 4	A dissemination plan has been implemented to promote forest landscape restoration													
A.4.1	Design a dissemination plan to promote forest landscape restoration													
	Communication consultant to develop dissemination plan	13	0	0	3	0	Person-month	1500	4500	0.0	0.0	4500	0.0	0.0
A.4.2	Implement a forest landscape restoration dissemination plan													
	Design and layout of video on forest landscape restoration practices	21	0	0	1	0	video	2900	2900	0.0	0.0	0.0	2900	0.0
	6 dissemination workshops on forest landscape restoration research results (30 people, 1 day)	61	0	0	90	90	Person/day /meals	20	5400	0.0	0.0	2700	2700	0.0
A.4.3	Systematize and disseminate forest landscape restoration experiences													
	Consultant in systematization of experiences	13	0	0	3	0	Person-month	2000	6000	0.0	0.0	6000	0.0	0.0
	Printing of documents on forest landscape restoration experiences	61	0	0	0	100	Document	15	1500	0.0	0.0	0.0	1500	0.0
	International result dissemination tours (4 people)	32	0	0	1	0	Tours	4000	4000	0.0	0.0	4000	0.0	0.0
A.4.4	Share experiences on forest landscape restoration													
	2 experience sharing tours (30 people, 3 days)	61	30	0	30	0	Person/day /meals	120	7200	3600	0.0	3600	0.0	0.0
A.4.5	Link project outputs and outcomes to ITTO's knowledge management system													

Output /Activity	Description	Budget Component	Quantity				Unit	Unit Cost	Total Cost	ITTO				EA
			Year 1	Year 2	Year 3	Year 4				Year 1	Year 2	Year 3	Year 4	
	Project coordinator	111	12	12	12	12	Person-month	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<u>Project Officer (Technician)</u>	<u>12</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>Person-month</u>	<u>1023</u>	<u>24560</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>24560</u>
SUB-TOTAL	-	-	-	-	-	-	-	-	<u>387010</u>	<u>136000</u>	<u>44900</u>	<u>103650</u>	<u>77700</u>	<u>24760</u>
A0.0	Non-activity related expenses													
	<u>Project coordinator</u>	<u>111</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>Person-month</u>	<u>1600</u>	<u>76800</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>76800</u>
	<u>Secretarial support</u>	<u>12.2</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>Person-month</u>	<u>400</u>	<u>28800</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>28800</u>
	Accountant - administrator	12.3	12	12	12	12	Person-month	950	45600	11400.0	11400	11400	11400	0.0
	<u>Administrative-Operational Officer</u>	<u>41</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>Person-month</u>	<u>877</u>	<u>21044</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>21044</u>
<u>A0.12</u>	<u>Office costs - FCG (Capital Items)</u>	<u>41</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>Rent /month</u>	<u>0.0</u>	<u>12000</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1200</u>
A0.14	Office expenses (consumable items)	54	12	12	12	12	Monthly amount	120	9600	2400	2400	2400	2400	0.0
A0.15	Fuel	53	12	12	12	12	Monthly amount	500	24000	6000	6000	6000	6000	0.0
	Vehicle and motorcycle spares and insurance	52	12	12	12	12	Monthly amount	200	9600	2400	2400	2400	2400	0.0
A0.16	Duty travel (coordination)	31	12	12	12	12	Monthly amount	500	24000	6000	6000	6000	6000	0.0
A0.17	Miscellaneous	61	12	12	12	12	Monthly amount	150	7200	1800	1800	1800	1800	0.0
<u>A0.18</u>	<u>Office utilities - FCG</u>	<u>53</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>Monthly amount</u>	<u>0.0</u>	<u>4800</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>4800</u>
A0.20	Materials and supplies	54	12	12	12	12	Monthly amount	150	7200	1800	1800	1800	1800	0.0

Output /Activity	Description	Budget Component	Quantity				Unit	Unit Cost	Total Cost	ITTO				EA
			Year 1	Year 2	Year 3	Year 4				Year 1	Year 2	Year 3	Year 4	
A0.2	Audits (annual and final)	62	0	1	1.5	1	Person-month	2500	8000	0.0	2500	2500	3000	0.0
SUB-TOTAL	-	-	-	-	-	-	-	-	278644	31800	34300	34300	34800	134444
A0.5	Monitoring and Evaluation													
	ITTO Monitoring and Review	82	0	1	1	1	Lump sum	10,000	30,000					
	Ex-post Evaluation	84	0	0	0	1	Lump sum	10,000	10,000					
	ITTO programme support costs	85	0	0	0	0	Lump sum	64,494	64,494					
	<u>FCG administrative costs</u>	<u>72</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>Lump sum</u>	<u>48,156</u>	<u>48,156</u>					
SUB-TOTAL	-	-	-	-	-	-	-	-	152,650					
GRAND TOTAL									818,304					

3.4.2 Consolidated budget by component

Item	Description	TOTAL	YEAR 1	YEAR 2	YEAR 3	YEAR 4
10	Personnel					
12.1	Project technical assistant	72000.0	18000.0	18000.0	18000.0	18000.0
12.3	Accountant-administrator	45600.0	11400.0	11400.0	11400.0	11400.0
	Project coordinator	76800	19200	19200	19200	19200
	Secretarial support	28800	7200	7200	7200	7200
	Project Officer (Technician)	24560	6140	6140	6140	6140
	Administrative-Operational Officer	21044	5261	5261	5261	5261
13	Forest Landscape Restoration Consultant	34000.0	20000.0	0.0	14000.0	0.0
13.1	Consultant to evaluate technical criteria	8000.0	0.0	0.0	8000.0	0.0
13.2	Research consultant	6000.0	6000.0	0.0	0.0	0.0
13.3	Communication Consultant	4500.0	0.0	0.0	4500.0	0.0
13.4	Consultant in systematization of experiences	6000.0	0.0	0.0	6000.0	0.0
	19. Component total	327304.0	93201.0	67201.0	99701.0	67201.0
20	Sub-contracts					
21	Sub-contract (research for thesis and graduate degree work on forest restoration)	90000.0	9000.0	9000.0	36000.0	36000.0
21.1	Design and layout of video on forest landscape restoration practices	2900.0	0.0	0.0	2900.0	0.0
	29. Component Total	92900.0	9000.0	9000.0	38900.0	36000.0
30	Duty travel					
31	Duty travel	24000.0	6000.0	6000.0	6000.0	6000.0
32.2	International travel to disseminate project outputs	4000.0	0.0	0.0	4000.0	0.0
	29. Component Total	28000.0	6000.0	6000.0	10000.0	6000.0
40	Capital Items					
43	Vehicle for the implementation of forest landscape restoration practices (dual-cabin 4x4 pick-up truck)	27000.0	27000.0	0.0	0.0	0.0
44	Portable computer equipment (Laptop 4G RAM, 500 GB Hard Disk, 2.5 GHZ)	6000.0	6000.0	0.0	0.0	0.0
44.1	Audio-visual projection equipment	3600.0	3600.0	0.0	0.0	0.0
44.2	Forestry measurement equipment	5000.0	2500.0	2500.0	0.0	0.0
44.21	Hydro-biological measurement equipment	3000.0	0.0	0.0	3000.0	0.0
	3 motorcycles and equipment	9000.0	9000.0	0.0	0.0	0.0
	Office expenses FCG (capital items)	12000	3000	3000	3000	3000
44.22	Audio-visual equipment (photographic camera)	1050.0	1050.0	0.0	0.0	0.0
	49. Component Total	66650.0	52150.0	5500.0	6000.0	3000.0
50	Consumable Items					
52	Vehicle spares and insurance	9600.0	2400.0	2400.0	2400.0	2400.0
53	Fuel	24000.0	6000.0	6000.0	6000.0	6000.0
54	Office expenses (consumable items)	9600.0	2400.0	2400.0	2400.0	2400.0
	Office utilities FCG	4800	1200	1200	1200	1200
54.1	Materials and supplies	7200.0	1800.0	1800.0	1800.0	1800.0
	59. Component Total	55200.0	13800.0	13800.0	13800.0	13800.0

60	Miscellaneous					
61	Sundry	7200.0	1800.0	1800.0	1800.0	1800.0
	Drafting of specific maps for each pilot ecosystem	200	100	0	100	0
61.2	4 dissemination workshops on pilot site selection proposal (30 people, 1 day)	3200.0	1000.0	0.0	2200.0	0.0
61.3	4 meetings with local partners to establish agreements (15 people, 1 day)	900.0	450.0	0.0	450.0	0.0
61.4	12 training workshops on the implementation of forest landscape restoration mechanisms (3 workshops per site, 1 day, 25 people)	7200.0	3600.0	0.0	3600.0	0.0
61.5	Inputs for the establishment of 4 pilot sites	8000.0	4000.0	0.0	4000.0	0.0
61.6	12 training workshops for institutional technicians (20 people, 1 day)	7200.0	3000.0	0.0	4200.0	0.0
61.7	4 consultation and validation workshops on technical guidelines (30 people, 1 day)	2400.0	2400.0	0.0	0.0	0.0
61.8	Design and printing of forest landscape restoration extension guides	8000.0	0.0	0.0	8000.0	0.0
61.9	8 consultation and validation workshops to outline incentive mechanisms for forest landscape restoration under the PROBOSQUE Act (30 people, 1 day)	4800.0	0.0	0.0	2400.0	2400.0
	4 technical meetings with key stakeholders (10 people, 1 day)	1200.0	0.0	0.0	1200.0	0.0
61.1	4 consultation and validation workshops for the participatory identification of information gaps on forest landscape restoration (30 people, 1 day)	2400.0	2400.0	0.0	0.0	0.0
61.12	Printing of documents on forest landscape restoration experiences	1500.0	0.0	0.0	1500.0	0.0
61.13	2 experience sharing tours (30 people, 3 days)	7200.0	3600.0	0.0	3600.0	0.0
61.14	8 technical consultation workshops (20 people, 1 day)	4800.0	2400.0	2400.0	0.0	0.0
61.15	Materials and inputs (adhesive, marking tape, paint, iron, forest tags)	8000.0	2000.0	2000.0	2000.0	2000.0
61.16	6 dissemination workshops on forest landscape restoration research results (30 people, 1 day)	5400.0	0.0	2700.0	2700.0	0.0
61.17	Printing of priority research agenda on forest landscape restoration	4000.0	2000.0	2000.0	0.0	0.0
	Publication of articles in other journals	4000.0	0.0	0.0	0.0	4000.0
62	Auditing	8000.0	0.0	2500.0	2500.0	3000.0
	69. Component Total	95600.0	28750.0	13400.0	40250.0	13200.0
80	Project Monitoring and Administration					
81	ITTO monitoring and review	40000.0				
82	ITTO Programme Support Costs (12% of 1-82 above)	64494.0				
	89. Component Total:	104494.0				
100	GRAND TOTAL					
82	<u>FCG administrative costs</u>	<u>48,156.0</u>				
	79. Component Total	48,156.0				
	GRAND TOTAL	818,304.0				

3.4.3 ITTO budget by component

ITEM	DESCRIPTION	TOTAL	YEAR 1	YEAR 2	YEAR 3	YEAR 4
10	Personnel					
12.1	Project technical assistant	72000.0	18000.0	18000.0	18000.0	18000.0
12.3	Accountant-administrator	45600.0	11400.0	11400.0	11400.0	11400.0
13	Forest Landscape Restoration Consultant	34000.0	20000.0	0.0	14000.0	0.0
13.1	Consultant to evaluate technical criteria	8000.0	0.0	0.0	8000.0	0.0
13.2	Research Consultant	6000.0	6000.0	0.0	0.0	0.0
13.3	Communication consultant	4500.0	0.0	0.0	4500.0	0.0
13.4	Consultant in systematization of experiences	6000.0	0.0	0.0	6000.0	0.0
	19. Component Total	176100.0	55400.0	29400.0	61900.0	29400.0
20	Sub-contracts					
21	Sub-contract (research for thesis and graduate degree work on forest restoration))	90000.0	9000.0	9000.0	36000.0	36000.0
21.1	Design and layout of video on forest landscape restoration practices	2900.0	0.0	0.0	2900.0	0.0
	29. Component Total	92900.0	9000.0	9000.0	38900.0	36000.0
30	Duty travel					
31	Duty travel	24000.0	6000.0	6000.0	6000.0	6000.0
32.2	International tours to disseminate project results	4000.0	0.0	0.0	4000.0	0.0
	39. Component Total	28000.0	6000.0	6000.0	10000.0	6000.0
40	Capital Items					
43	Vehicle for the implementation of forest landscape restoration practices (dual-cabin 4x4 pick-up truck)	27000.0	27000.0	0.0	0.0	0.0
44	Portable computer equipment (Laptop 4G RAM, 500 GB Hard Disk, 2.5 GHZ Processor)	6000.0	6000.0	0.0	0.0	0.0
44.1	Audio-visual projection equipment	3600.0	3600.0	0.0	0.0	0.0
44.2	Forestry measurement equipment	5000.0	2500.0	2500.0	0.0	0.0
44.21	Hydro-biological measurement equipment	3000.0	0.0	0.0	3000.0	0.0
	3 motorcycles and equipment	9000.0	9000.0	0.0	0.0	0.0
44.22	Audio-visual equipment (photographic camera)	1050.0	1050.0	0.0	0.0	0.0
	49. Component Total	54650.0	49150.0	2500.0	3000.0	0.0
50	Consumable Items					
52	Vehicle spares and insurance	9600.0	2400.0	2400.0	2400.0	2400.0
53	Fuel	24000.0	6000.0	6000.0	6000.0	6000.0
54	Office costs (consumable items)	9600.0	2400.0	2400.0	2400.0	2400.0
54.1	Materials and supplies	7200.0	1800.0	1800.0	1800.0	1800.0
	59. Component Total	50400.0	12600.0	12600.0	12600.0	12600.0
60	Miscellaneous					
61	Sundry	7200.0	1800.0	1800.0	1800.0	1800.0
61.2	4 dissemination workshops on pilot site selection proposal (30 people, 1 day)	3200.0	1000.0	0.0	2200.0	0.0
61.3	4 meetings with local partners to establish agreements (15 people, 1 day)	900.0	450.0	0.0	450.0	0.0
61.4	12 training workshops on the implementation of forest landscape restoration mechanisms (3 workshops per site, 1 day, 25 people)	7200.0	3600.0	0.0	3600.0	0.0
61.5	Inputs for the establishment of 4 pilot sites	8000.0	4000.0	0.0	4000.0	0.0
61.6	12 training workshops for institutional technicians (20 people, 1 day)	7200.0	3000.0	0.0	4200.0	0.0
61.7	4 consultation and validation workshops on technical guidelines (30 people, 1 day)	2400.0	2400.0	0.0	0.0	0.0
61.8	Design and printing of forest landscape restoration extension guides	8000.0	0.0	0.0	8000.0	0.0
61.9	8 consultation and validation workshops to outline incentive mechanisms for forest landscape restoration under the	4800.0	0.0	0.0	2400.0	2400.0

	PROBOSQUE Act (30 people, 1 day)					
61.10	4 technical meetings with key stakeholders (10 people, 1 day)	1200.0	0.0	0.0	1200.0	0.0
61.11	4 consultation and validation workshops for the participatory identification of information gaps on forest landscape restoration (30 people, 1 day)	2400.0	2400.0	0.0	0.0	0.0
61.12	Printing of documents on forest landscape restoration experiences	1500.0	0.0	0.0	1500.0	0.0
61.13	4 experience sharing tours (30 people, 3 days)	7200.0	3600.0	0.0	3600.0	0.0
61.14	8 technical consultation workshops (20 people, 1 day)	4800.0	2400.0	2400.0	0.0	0.0
61.15	Materials and inputs (adhesive, marking tape, paint, iron, forest tags)	8000.0	2000.0	2000.0	2000.0	2000.0
61.16	6 dissemination workshops on forest landscape restoration research results (30 people, 1 day)	5400.0	0.0	2700.0	2700.0	0.0
61.17	Printing of priority research agenda on forest landscape restoration	4000.0	2000.0	2000.0	0.0	0.0
61.18	Publication of articles in other journals	4000.0	0.0	0.0	0.0	4000.0
62	Auditing	8000.0	0.0	2500.0	2500.0	3000.0
	69. Component Total	95400.0	28650.0	13400.0	40150.0	13200.0
80	Project Monitoring and Administration					
81	ITTO monitoring and review	40000.0				
82	ITTO Programme Support Costs (12% of 1-82 above)	64494.0				
	89. Component Total:	104494.0				
100	GRAND TOTAL	601944.0				

3.4.4 Executing agency budget by component

Item	Description	TOTAL	YEAR 1	YEAR 2	YEAR 3	YEAR 4
10	Personnel					
11.1	Project coordinator	76800	19200	19200	19200	19200
12.2	Secretarial support	28800	7200	7200	7200	7200
11.1	<u>Project Officer (Technician)</u>	<u>24560</u>	<u>6140</u>	<u>6140</u>	<u>6140</u>	<u>6140</u>
12.2	<u>Administrative-Operational Officer</u>	<u>21044</u>	<u>5261</u>	<u>5261</u>	<u>5261</u>	<u>5261</u>
	<u>19. Component Total</u>	<u>151204</u>	<u>37801</u>	<u>37801</u>	<u>37801</u>	<u>37801</u>
40	Capital items	-	-	-	-	-
41	Office expenses FCG (capital items)	12000	3000	3000	3000	3000
	<u>49. Total component</u>	<u>12000</u>	<u>3000</u>	<u>3000</u>	<u>3000</u>	<u>3000</u>
50	Consumable items	-	-	-	-	-
53.1	Office utilities FCG	4800	1200	1200	1200	1200
	<u>59. Component Total</u>	<u>4800</u>	<u>1200</u>	<u>1200</u>	<u>1200</u>	<u>1200</u>
60	Miscellaneous					
61.1	Drafting of specific maps for each pilot ecosystem	200	100	0	100	0
	<u>69. Component Total</u>	<u>200</u>	<u>100</u>	<u>0</u>	<u>100</u>	<u>0</u>
70	National Management Costs					
71	FCG administrative costs	48,156				
	<u>79. Component Total</u>	<u>48,156</u>				
100	<u>GRAND TOTAL</u>	<u>216,360</u>				

3.5 Assumptions, risks, sustainability

3.5.1 Assumptions and risks

Assumption	Associated risk	Mitigation measures
The Ministry of Agriculture, Livestock and Food and the Ministry of Public Finance provide the financial resources required by INAB for the implementation of activities.	The budgetary allocation could limit the implementation of activities by the Department for Strategic Forest Ecosystems and the Forest Research Department.	The Forestry Law (Legislative Decree No. 101-96) stipulates that MAGA should allocate 10% of its budget to INAB, and through the provision of services and other income, it is possible to ensure the implementation of INAB's activities.
The project has the support of forest resource owners and the empowerment of local communities to implement forest landscape restoration activities.	Forest resource owners and local communities may not recognize the benefits that they could derive from forest landscape restoration activities, both in economic terms and for the protection and use of their forests	The project will promote communication and participation through INAB's technical staff so as to facilitate the sharing of information and the effective participation of community groups and owners.
No changes will be made to the administration structures of forest institutions.	Changes to the administration of forest institutions can result in changes to project personnel.	Project stability will be ensured by keeping a systematic register of the planning and implementation process, so that if new technical staff join the project team they can be effectively integrated into the project.
Academic institutions support and closely follow up the issue of forest landscape restoration.	Some information sources may not be willing to share the research results or outputs.	A sound information sharing system will be developed on the basis of the participation and due recognition of information sources.
The communities agree and are willing to share their experiences.	There may be limiting factors to community participation arising out of the specific political situation of each of the communities in the pilot sites.	The Project will identify community leaders who support project objectives and will promote communication and participation activities through INAB's technical staff.
The International Tropical Timber Organization (ITTO) supports Phase II funding to complete and finalize the project.	The donor countries interested in the project do not finance phase II of the project, leaving it unfinished.	The executing agency will seek funds through different national and international cooperation mechanisms to continue project actions

3.5.2 Sustainability

Forest landscape restoration plays an important role in the development of the forest sector in Guatemala.

Direct project benefits are linked to the development of tools and skills to enable the communities to implement forest landscape restoration mechanisms that may later be replicated at the national level to generate economic development opportunities. Furthermore, the project will facilitate the rehabilitation of forests and degraded lands as an effective alternative to reduce the socio-environmental vulnerability of these lands and to provide an option for climate change mitigation and adaptation. In addition, restored areas will once again play a significant role in the provision of goods and services to enhance the livelihoods of all stakeholders involved, which will encourage local communities to participate in the conservation and management of the areas restored through the project.

This project will implement activities aimed at the inter-institutional coordination of institutions involved in the management of forests and specifically in the restoration of forest landscapes. Furthermore, the project will strengthen the institutional capacity of **FCG and INAB** and other regional and local bodies responsible for forest ecosystems. This means that it will strengthen local capacities for the management and utilization of these ecosystems and will hence contribute to the sustainability of natural resources in the country.

Institutional sustainability

Since its establishment in the year 2000, the main objective of FCG has been to become a financing mechanism to facilitate the management and administration of funds for the conservation of biodiversity and the environment in the country. Thus, since it was formally authorized to become operational, the FCG has accumulated 14 years of experience in the management of funds for third parties.

FCG is the administrator of the Fund for the Conservation of Tropical Forests, through which initiatives are financed in four geographical regions of the country and on the basis of which, partnerships have been established with local agencies and grassroots organizations.

As the administrator of the FCA, FCG has achieved recognition for the efficient transfer of resources through two grant programs, which to a large extent coincide with the forest landscape restoration objectives. In addition, at the next meetings of the FCA, FCG could request that the Oversight Committee consider establishing synergies and complementarity of its investments based on the outputs of the project to be financed by ITTO.

Furthermore, FCG also participates in various bodies related to forest management in the country, such as the NGOs representation in the Secretariat of the Forest, Biodiversity and Climate Change Group, among others.

INAB, as the leading institution in forestry matters in the country and as the collaborating entity for the implementation of the Project, has recently established the Forest Restoration Department, which is responsible for the promotion, implementation and provision of technical assistance for forest restoration. In the implementation of the project, it will play a coordination role, directly supporting the execution and monitoring of project activities including the development of strategic partnerships as required to achieve project objectives.

Furthermore, the project will have the support of the Departments of Strategic Forest Ecosystems and Forest Research, which will provide support for the implementation of project, particularly in component 2 that will allow for the implementation of research actions in the prioritized areas.

In order to ensure the continuity of project activities, INAB will use project outputs to follow up project actions and results by incorporating them into its yearly plans of operation. In this context, it should be pointed out that project actions are directly consistent with the Five-Year Plan of INAB, in particular, its strategic objective 1: "Promote the sustainable provision of forest goods and services to meet energy, housing, food, infrastructure and agro-industrial needs, as a mechanism to guarantee livelihoods for society and reduce social and environmental vulnerability in Guatemala". Furthermore, the project is also consistent with strategic objective 2 of the Plan, i.e. "Reduce forest loss and degradation by regulating and monitoring the utilization, protection and rehabilitation of forests while maintaining their production and protection functions".

The strengthening of the capacities of INAB and other key stakeholders and coordination with all relevant stakeholders (private sector, CONAP, NGOs, academia, municipalities, community forest organizations and government agencies, among others) will guarantee the continuity of project actions.

Financial sustainability

FCG has extensive experience in developing initiatives aimed at attracting and channeling new financing sources for the achievement of its objectives, with forest restoration being one of the most significant and relevant.

In addition, at the next meetings of the FCA, FCG could request that the Oversight Committee consider establishing synergies and complementarity of its investments based on the outputs of the project to be financed by ITTO.

INAB's mandate includes the maintenance and strengthening of its Department for Strategic Forest Ecosystems and the Forest Research Department within the overall budget of the Institute.

Article 9 of the Law on the Program to Promote Forest Establishment, Rehabilitation, Restoration, Management, Production and Protection in Guatemala (PROBOSQUE) **stipulates that for a period of 30 years, the State shall annually allocate at least 1% of the Regular State Revenue in the General Budget of State Revenue and Expenditures to provide for the forest incentives established under the aforementioned legislation. This new program includes a forest restoration component which** should guarantee the continuity of project actions.

In addition to INAB's financial contribution to guarantee the continuity of project actions, funding will be leveraged through various cooperation mechanisms at both the national and international levels, thus prioritizing private sector links.

PART 4. IMPLEMENTATION ARRANGEMENTS

4.1 Organizational structure and stakeholder involvement mechanisms

4.1.1 Executing agency and partners

In 2011, FCG and INAB signed a letter of intent (in the process of being renewed) in order to:

- i) Establish the basis for technical and financial cooperation so as to implement joint actions in areas that meet mutual interests and capacities of both institutions, as well as to establish an administrative cooperation that will *inter alia* allow for the sharing of management experiences and provide support in the administration and intermediation of financial resources, from both institutional sources and national and international cooperation sources.
- ii) Develop and promote the implementation of a joint action plan based on the potential and strengths of each institution.
- iii) Facilitate the implementation of specific joint forest management and conservation actions, so as to strengthen national capacities and ensure that the country has better tools at its disposal to face current challenges, including the conservation of forest resources.

The joint cooperation actions that have been currently identified include the following:

- i) Sharing of information and technical and scientific coordination between both institutions.
- ii) Seeking and negotiating funding for the implementation of programs and projects arising from the current Cooperation Agreement.
- iii) Jointly managing and promoting financing from cooperating countries and organizations, as well as from government and non-government organizations for the implementation of activities proposed within the framework of the current Cooperation Agreement.

It is within the framework of this joint cooperation that FCG will implement this project, based on its technical and administrative capacities, the experience gained over 12 years in the management of the Fund for the Conservation of Tropical Forests and the specialized skills of the country's main public governing body in the field of forestry.

Given the authority and technical capacity of INAB, the technical coordination of the project will be led by the Head of the Forest Restoration Department and therefore both FCG and INAB will be responsible for project outputs and for ensuring compliance with the key indicators and assumptions outlined in this project proposal.

The FCG staff that will directly participate in the project will include a Technical Project Officer and an Operational Administrative Officer, who will provide support as required for the implementation of project activities. Furthermore, FCG will support the project with the use of its installed capacity and the indirect involvement of the rest of its staff.

FCG's general objective "To promote the conservation of biodiversity and the sustainable utilization of natural resources, environmental management, sustainable development and climate change adaptation and mitigation, through the management and continued procurement of funds, the management of services and projects, the supply and implementation of specialized environmental services, project financing, and the management of environmental projects.

Some of its specific objectives and goals include the following:

1. Promote conservation and sustainable social development based on the sustainable utilization of natural resources, environmental management and education, through the distribution of funds to individuals and companies that meet the necessary eligibility requirements.
2. To receive, manage, accept, administrate, facilitate and make donations, contributions, reimbursable benefits and, in general, provide economic, technical, scientific and any other type of assistance that is deemed necessary or convenient for the achievement of its goals and activities.
3. Foster and disseminate knowledge about biodiversity and its sustainable use and conservation in Guatemala, through the sponsorship of scientific events such as round tables, conferences, seminars, contests and exhibitions.
4. Promote educational, scientific and cultural exchanges.

5. Propose and promote civic, educational and legislative measures aimed at solving problems related to the ecological, scientific and research issues.
6. Manage conservation and environmental projects for both government and non-government organizations so as to optimize their investments and/or streamline the work required by these entities.
7. Offer and provide specialized services in the environmental field.
8. Develop and implement any activity that is consistent with its aforementioned general objective and goals.

The National Forest Institute (INAB), is an autonomous, decentralized government agency with legal capacity, equity capital and administrative independence. It is the competent coordinating authority responsible for the public agricultural sector in the forestry field as established by the Forestry Law currently in force in Guatemala (Decree No. 101-96).

The Institute's main functions are: a) Implement forest policies; b) Promote and encourage forest development in the country through sustainable forest management, reforestation, forest-based crafts and industry, and watershed protection and development; c) Promote forest research; d) Coordinate the implementation of forest development programmes; and e) Develop programmes and projects aimed at forest conservation.

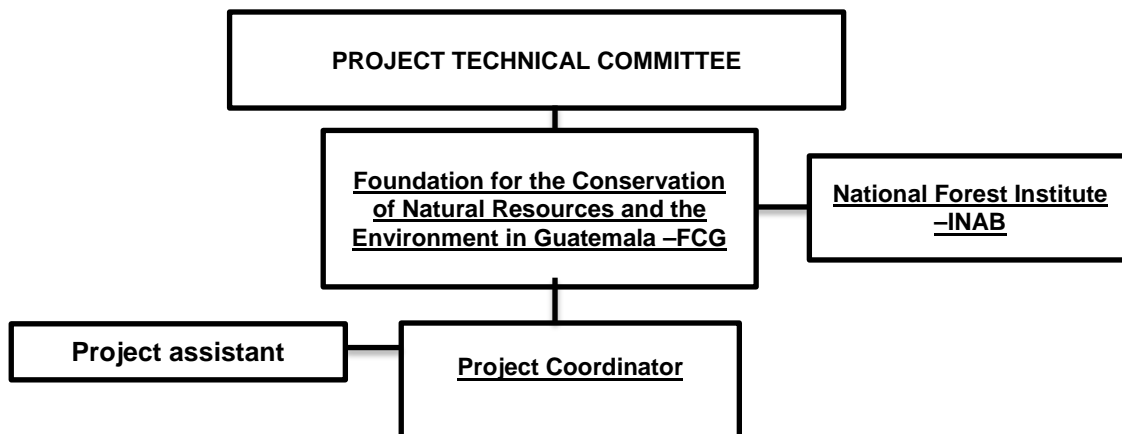
The project will also be supported by the Forest Landscape Restoration Board, which is made up of representatives from the following sectors:

- Government institutions
- Academia
- Municipalities
- Indigenous peoples
- Local communities
- NGOs
- Private sector

4.1.2 Project management team

FCG and INAB will appoint a Project Coordinator. The Project Coordinator should be a university graduate in forestry, agricultural, environmental or biological sciences, with over 5 years proven experience in the management of forest or related projects. The Coordinator will be the person in charge of coordination and implementation of the total project, and of supervising the technical team. To this end, INAB will contribute with the special collaboration of its personnel and will support the coordination of the project through its Forest Restoration Department, with the assistance of the Strategic Forest Ecosystems Department and the Department of Forest Research of INAB

The project management structure is shown in the following organizational chart:



4.1.3 Project Steering Committee

A Project Steering Committee (PSC) will be set up. This Committee will operate according to the relevant ITTO regulations, and will consist of the following members:

- **FCG Representative**
- Forest Management and Conservation Director (Chairperson)
- Project Coordinator
- INAB Management representative
- ITTO Representative
- INAB representatives
- Donors' representative, as appropriate

4.1.4 Stakeholder involvement mechanisms

The participation of stakeholders and beneficiaries will be ensured **with the support of** the Forest Landscape Restoration Board, which will act as a consultative body in the implementation of project activities. This Board comprises a balanced representation of sectors interested in addressing the issue of forest restoration. They include:

- Government institutions
- Academia
- Municipalities
- Indigenous peoples
- Local communities
- NGOs
- Private sector
- International cooperation agencies

4.2 Reporting, review, monitoring and evaluation

Within 8 weeks of project start-up, the Project Coordinator will prepare an inception report for the first meeting of the Project Steering Committee.

Every 6 months, **FCG and INAB** will send progress reports to the ITTO Secretariat according to the relevant ITTO requirements. Consultancy reports will also be submitted to ITTO. The completion report will be submitted to the ITTO Secretariat within 3 months of project completion. ITTO monitoring missions will take place as scheduled by this Organization. These missions will review project progress measuring compliance with the relevant indicators. The progress made in the implementation of the project will also be reported on ITTO online system.

The Coordinator and technical team of the project will determine the most suitable method for information gathering and processing purposes in order to successfully monitor project progress.

4.3 Dissemination and mainstreaming of project learning

4.3.1 Dissemination of project results

After the implementation of the project, **FCG and INAB** will promote its recommendations, achievements and results through the various instruments generated by the project and the replication of successful cases.

Project results and achievements will be supported by INAB through the Department for Strategic Forest Ecosystems, the Forest Research Department and the regional and sub-regional offices, which will be in charge of project follow-up through the provision of technical assistance and training to relevant stakeholders; in addition, the project will have the support of the Social Communication Department, which will disseminate project results through printed media, INAB webpage and social networks, among others.

In addition, all institutions involved in the project will also provide support by disseminating project outcomes through their information networks. These stakeholders will be responsible for disseminating project results among their members through their web pages, written media and publications.

All documents to be generated by the project will be distributed to INAB's regions and all stakeholders involved in the project, and will also be available **in the webpage of the project's executing agency (www.fcg.ort.gt)** as well as in the INAB webpage (www.inab.gob.gt) and the webpage of the Forest Information System of Guatemala – SIFGUA (www.sifgua.gob.gt).

Furthermore, key project documents will be linked to the websites of other international and national institutions involved in forest training so as to disseminate project results throughout the national and international contexts.

In addition, project results will be included in INAB's annual report, which describes major outcomes achieved by the Institution in its work.

Good communication and relationship with the members of the project **technical** committee will be crucial to ensure inter-institutional dissemination of project progress and results. Outreach material on project outcomes will be developed and printed for widespread distribution during the different stages of the project.

4.3.2 Mainstreaming of project learning

Mainstreaming of project learning will take place through a diversity of media, starting with a web-based publication in both Spanish and English through **the FCG platform, as well as through their members and SIFGUA.**

Project outcomes will be presented nationally, with the participation of key stakeholders of Guatemala's forest sector, the media and groups of experts.

Furthermore, information on outcomes and achievements **will be disseminated in coordination with the FCG and with the support of** INAB's Social Communication Department using written media, websites and others.

The documents to be developed by the project will be distributed to the various regions of the country and to the different stakeholders involved in the project, and will also be available on the websites of **FCG,** INAB and SIFGUA.

ANNEX 1. Profiles of the executing agency and collaborating agencies

A. Executing agency

The Foundation for the Conservation of Natural Resources and the Environment in Guatemala (FCG) was established on the 27 March 2000 as a non-government, private, non-profit organization, with no political affiliation and with conservation, ecological, scientific, educational, technological and cultural objectives, with legal status and capacity to acquire rights, undertake commitments and carry out activities as required to achieve its goals.

Since its establishment in the year 2000, the main objective of the FCG has been to become a financing mechanism to facilitate the management and administration of funds for the conservation of biodiversity and the environment in the country. Thus, since it was formally authorized to become operational, the FCG has accumulated 14 years of experience in the management of funds for third parties. From 2008 to date, the Foundation has provided resources for the implementation of 38 projects for a total of approximately 29.5 million Quetzals (Appendix No 1 – FCG Institutional Profile). <http://fcg.org.gt/documentos/Publicaciones/FCGHojaDeVidaInstitucional917.pdf>

Furthermore, as the administrator of the Fund for the Conservation of Tropical Forests (FCA), resulting from the debt-for-nature swap program between the governments of the USA and Guatemala, FCG has transferred funds for the implementation of 31 projects in three financing cycles and five small grant regional sub-programs (PPD/FCA), which have supported 48 small projects during the first cycle of this program.

The total amount of financing granted in the three first cycles by the FCA Fund was close to 70 million Quetzals out of a total of US\$24 million, plus interest earned on this capital, which constitutes the total Fund that is currently administered by FCG. In May 2016, as a result of the open call for the fourth project cycle of the FCA Fund, 10 projects were approved under the Regular Programme for a total of 24.4 million Quetzals. Furthermore, financing for 4 small-grant regional sub-programs was renewed (PPD/FCA) for a second cycle, for a total amount of 12 million Quetzals. In December 2016, as a result of the selection process for a fifth management organization, a management agency was selected for the small-grant regional sub-program of the Volcanic Range of the Western Altiplano region (departments of Quetzaltenango, Totonicapan, San Marcos and Retalhuleu) for a second cycle, for a total amount of 3 million Quetzals. http://www.fondofcaguatemala.org/joomla/index.php?option=com_content&view=article&id=19&Itemid=27

The annual external audits of the Financial Statements of the Foundation over the past eight (8) years have shown a correct and transparent management of the financial resources under its responsibility. These audits were carried out by audit firms of international renown that are included in the list of firms authorized by the United States Agency for International Development (USAID).

In 2010, FCG was given a positive assessment in the Evaluation of Systems for the Implementation of Payment Procedures through a Start-up Fund for the management of the German financial cooperation agency (KfW). In October 2010, the Secretariat of the Tropical Forest Conservation Act (TFCA), based in Washington, USA, commissioned an Independent Evaluation of the Program of the Tropical Forests Conservation Law in Guatemala (Fund for the Conservation of Tropical Forests - FCA). The results of the evaluation highlighted satisfactory compliance with the commitments undertaken by FCG as the administrator of the Fund, good management of resources and its conservative investment record in line with its investment policy, and the transparent allocation of grants through inclusive and widely disseminated processes.

In March 2014, the FCG obtained a Good Practices Certificate (NGO Benchmarking) from the Société Général de Surveillance (SGS), a renown international certification agency. This certification guarantees the accountability and performance of non-profit organizations, through a standard that groups 25 codes and practices established by donors, state institutions, financing organizations and others, demonstrating to all interested parties that the procedures and operational schemes of a certified organization are in accordance with best international practices. In June 2016, FCG voluntarily subjected itself to the re-certification process, which it successfully concluded.

B. Collaborating Agency

National Forest Institute – INAB

The National Forest Institute (INAB), an autonomous, decentralized government agency with legal capacity, equity capital and administrative independence, is the competent coordinating authority responsible for the public agricultural sector in the forestry field as established by the current forest legislation of Guatemala (1996).

INAB is responsible by law for the administration of forests outside protected areas. With its 33 sub-regional offices and 9 regional directorates, the Institute has a functional structure and national coverage. The Institute's main functions are:

i) Implement forest policies; ii) Promote and encourage forest development in the country through sustainable forest management, reforestation, forest-based crafts and industry, and watershed protection and development; iii) Promote forest research; iv) Coordinate the implementation of forest development programmes; and v) Develop programmes and projects aimed at forest conservation.

Its mission is: "To promote and implement national forest policies and facilitate access to technical assistance, technology and forest services for foresters, municipalities, universities, (national and international) investor groups, and other forest sector stakeholders, through the design and promotion of strategies and actions aimed at generating increased economic, ecological and social development in the country".

INAB has expertise in the following areas:

- **Incentive-based forest development and promotion**
- **Promotion of sustainable forest management**
- **Forest protection**
- **Administration, regulation and control of the forest sector**
- **Forest promotion, training and education**
- **Technical and economic forestry information and research**
- **Institutional strengthening**
- **Improvement of forest production**
- **Support to local governments for forest administration**
- **Forest extension**
- **Forest conservation**
- **Geographic information systems**
- **National forest inventories**

Infrastructure

INAB's facilities to carry out activities related to tropical forests are located in most of the departments where these forests are found. The Institute has the required technical, administrative and scientific units to carry out its mandate and achieve its objectives. INAB has 9 Regional Directorates, which are distributed as follows.

<u>No.</u>	<u>Region</u>	<u>Department</u>	<u>No. of sub-regions</u>
<u>I</u>	<u>Metropolitan</u>	<u>Guatemala</u>	<u>1</u>
<u>II</u>	<u>Las Verapaces</u>	<u>Alta Verapaz and Baja Verapaz</u>	<u>7</u>
<u>III</u>	<u>Northeast</u>	<u>Chiquimula, El Progreso, Izabal, Zacapa.</u>	<u>4</u>
<u>IV</u>	<u>Southeast</u>	<u>Jutiapa, Jalapa and Santa Rosa</u>	<u>3</u>
<u>V</u>	<u>Central</u>	<u>Chimaltenango and Sacatepéquez</u>	<u>2</u>
<u>VI</u>	<u>West</u>	<u>Quetzaltenango, San Marcos, Sololá and Totonicapán</u>	<u>4</u>
<u>VII</u>	<u>Northwest</u>	<u>Huehuetenango, Quiché</u>	<u>5</u>
<u>VIII</u>	<u>El Petén</u>	<u>Petén</u>	<u>4</u>
<u>IX</u>	<u>South Coast</u>	<u>Escuintla, Retalhuleu, Suchitepéquez</u>	<u>4</u>
<u>TOTAL</u>			<u>34</u>

Each of these Regional and Sub-regional Directorates of INAB has offices equipped with furniture, telephone, fax machines and computer equipment. In addition, they have their own budget and vehicles and motorcycles at their disposal. All of these Directorates are staffed with technical, administrative and legal personnel.

ANNEX 2. TASKS AND RESPONSIBILITIES OF KEY EXPERTS PROVIDED BY THE EXECUTING AGENCY

A. Project Coordinator

Qualifications:

- Gender: Male or female
- Professional with university training in forestry, natural resource management or related discipline.
- Knowledge of the government and private forest sectors of Guatemala.
- Experience in working with community groups.
- Knowledge of the current forest legislation and other related regulations.
- Experience in personnel management.
- Born leader with leadership skills and the ability to work in a team.
- Good command of computer packages
- Ability to negotiate with forest sector stakeholders.

Duties:

The Coordinator will be in charge of:

- Annual planning, organizing and supervising the implementation of project activities.
- Supervising project budget execution.
- Participating in the selection of project personnel.
- Developing a training program in coordination with the project technical staff.
- Conducting a performance assessment of the staff under his/her supervision.
- Supervising the preparation of reports and technical documents (technological packages)
- Preparing and submitting project progress reports.
- Strengthening inter-institutional relations and strategic partnerships
- Coordinating actions with INAB's regional offices, directorates and support areas.

B. Secretary:

Qualifications:

- Mid-level degree: Business and/or Bilingual Secretary with university studies
- A minimum of two years experience in secretarial services, administrative procedures, inter-personal relations, management and filing of documentation, drafting of letters and reports.
- Excellent drafting and spelling skills.
- Expertise in managing computer hardware and software, command of Windows, Microsoft Office, Internet.
- Organizational skills

Duties:

The Secretary will perform the following duties under the supervision of the Project Coordinator:

- Communicating with, convening and ensuring the participation of the relevant people in project meetings.
- Organizing and filing printed and digital records of all project-related documentation.
- Receiving, processing and ensuring timely dispatching of all correspondence and other documents related to the project and verifying due receipt by addressees.
- Answering telephone calls and dealing with members of the public or officers making project-related enquiries in the office.
- Drafting project-related correspondence as required.
- Verifying the availability of stationery materials as required by the project.
- Any other activities required by the Coordinator and/or Steering Committee.

ANNEX 3. TERMS OF REFERENCE OF PERSONNEL AND CONSULTANTS FUNDED BY ITTO

1. Forest restoration consultant

Qualifications:

- Gender: Male or female
- Professional with university training in forestry, natural resource management or related discipline and with experience in forest restoration. Master's degree or above in forest management, natural resource management or related discipline relevant to project objectives.
- Knowledge of the current forest and protected areas legislation and other related regulations.
- Expertise in the institutional, community and private forest sectors of Guatemala.
- A minimum of 5 years experience in forest restoration.
- Work experience in at least two of the strategic ecosystems that have been prioritized for this project.
- Good command of computer packages.
- Ability to negotiate with forest sector stakeholders.
- Experience in working with community groups.

Duties:

- Propose guidelines for the prioritization of pilot sites in the project's target area.
- Assist the project staff in the selection of pilot sites.
- In coordination with project staff, design, propose and establish forest restoration trials in the strategic ecosystem sites identified in the country.
- Monitor the implementation of forest restoration practices in pilot sites.
- Analyze the results obtained in restoration practices and prepare corresponding reports.
- Develop technical guides on forest restoration.
- Facilitate training workshops for community promoters and extension officers.

2. Project technical assistant

Qualifications:

- Gender: Male or female
- University degree in forestry, natural resource management or related discipline.
- Knowledge of the government and private forest sectors of Guatemala.
- Knowledge of the current forest legislation and other related regulations.
- Minimum 5 years experience in forest restoration.
- Born leader with leadership skills and the ability to work in a team.
- Good command of computer packages.
- Ability to negotiate with forest sector stakeholders.
- Preferably with knowledge of a Mayan language.

The technical assistant will be responsible for:

- Following up project activities.
- Providing guidance and support for the implementation of the project.
- Assisting the Project Coordinator in the preparation of documentation, activities, workshops and project follow-up.
- Coordinating activities with external consultants and INAB personnel.

3. Administrator-Accountant

Qualifications:

- Gender: Male or female
- Mid-level and/or university administrative and accounting degree.
- Suitable project administration and accounting experience.
- No criminal or judicial records.
- Good command of computer packages.

Duties:

- Personnel administration.
- Project accounts management applying national regulations and ITTO procedures.
- Assisting the Project Coordinator in monitoring the use of project funds.
- Preparing financial reports according to INAB and ITTO requirements.

4. Communication consultant

Qualifications:

- Gender: Male or female
- At least completed course syllabus of a degree program in the areas of communications, public relations or related discipline.
- Knowledge of institutional organizational communication.
- Expertise in the design of communication strategies.
- Ability in effective communications.
- A minimum of 3 years experience in strategic design and coordination of communication programs /plans, preferably with a focus on development.
- Creative ability for the implementation of effective communication and awareness-raising strategies.
- Experience in the design and development of social communication campaigns.
- Knowledge of social marketing strategies and tools will be considered a desirable skill.
- Adequate command of basic computer software (MS Office).
- Basic knowledge of (written and spoken) English).

The Communication Consultant will perform the following duties under the supervision of the Project Coordinator and in cooperation with the rest of the project team:

- Developing a dissemination plan on forest landscape restoration.
- Coordinating and implementing communication tools.

SUB-CONTRACTS

1. Sub-contracting research for thesis and graduate degree work on forest restoration (20 contracts)

Qualifications:

- Gender: Male or female
- University students in forestry, biology, natural resource management or related discipline.
- Completed course syllabus and due authorization of the relevant university to carry out supervised professional practice (SPP) or thesis work.
- Ability to work in a team.
- Good command of computer packages.

Duties:

- Assist in the coordination with forest sector stakeholders (universities, government organizations, private organizations and individual users).
- Assist in the organization of training events and workshops on forest landscape restoration for forest sector stakeholders.
- Coordinating field work on forest landscape restoration in pilot sites and supporting site monitoring and evaluation.
- Supporting the systematization of information generated by each priority site.
- Supporting the preparation of technical reports.
- Preparing a bimonthly report on SPP or thesis research progress.

Duration of contract: 8 months

ANNEX 4. Recommendations of 48th ITTO Expert Panel and resulting modifications

Reviewer Comments /Recommendations	Amendment(s) made	Page #
1. Consider submitting this proposal within the framework of the Joint ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity. In this light, incorporate a section under 1.2 Relevance related to the conformity of the proposal with the objectives and criteria of the aforementioned initiative (http://www.itto.int/cbd/);	The proposal has been reformulated in accordance with the Joint ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity.	Pages 10 and 11
2. Split the first expected outcome on page 4 into two, thus providing a separate outcome related to an increase in private sector investment;	The first expected outcome has been split into two.	Pages 4 and 18
3. Consider including the private sector as a member of the forest Landscape Restoration Board;	The private sector is included as a member of the Forest Landscape Restoration Board.	Page 19
4. Provide an additional summary text as regards the top 5 issues related to 1.3.2 social, cultural, economic and environmental aspects, as the current table is very lengthy and slightly convoluted;	A summary table has been included with the requested information.	Pages 16, 17 and 18
5. Include data on gender in the 2.1.2 Stakeholder analysis;	The stakeholder analysis now includes gender data.	Page 20
6. The explanation give about the conformity with objective C of ITTO under section 1.2.1 is not clear on specifically how the project will procure employment for the communities. Clarify how this is to be carried out and how the locals are to benefit from it;	The explanation given in relation to objective C has been redrafted.	Pages 9 and 10
7. One of the specific objective indicators under section 2.2.2, mentions that 60 ha of degraded forest areas will be restored under a pilot scheme. However, the proposal does not provide any indication as to the location of these protected areas. Explain how and when these the pilot sites will be selected;	An explanation has been provided as to how and when pilot sites will be selected for the implementation of forest landscape restoration actions.	Page 29
8. Include an additional box in the Objectives Tree, after the box on development of incentive mechanisms for landscape restoration Provide mechanism, related to the elimination of perverse incentives and create an additional activity 2.7 to tackle this;	The text in the objectives tree has been improved	Page 24

<p>9. As regards Output 4, consider developing a knowledge management system on forest landscape restoration and link it to ITTO's knowledge management database. Create an new activity 4.5 to develop it;</p>	<p>This has been included</p>	<p>Page 28</p>
<p>10. Activity 1.1 refers to the selection of specific sites for forest landscape restoration. This selection should be carried out prior to project implementation, as the location of these sites to be restored has an important impact in the budget. As such, provide preliminary indications on the location of these sites and the cost implications in the budget. If the sites cannot be selected before project implementation, then describe the selection criteria to be put in place;</p>	<p>Selection criteria have been included for the prioritization of pilot sites</p>	<p>Pages 29 and 30</p>
<p>11. Provide the timeframe for activity 3.2 in the Work Plan, as it is currently blank;</p>	<p>This has been fixed</p>	<p>Page 31</p>
<p>12. Under 3.5.2 sustainability, also describe how the local communities will benefit from the landscape restoration activities in order to guarantee sustainability, and further include the private sector in relation to the financial sustainability of the project;</p>	<p>The explanation provided has been improved</p>	<p>Page 44</p>
<p>13. Further elaborate on the relationship between the EA and partners, rather than just specifying that it will be defined according to ITTO regulations;</p>	<p>Additional information has been included on this issue</p>	<p>Page 45</p>
<p>14. Delete the ITTO box in the organizational chart, and include an INAB box under the Steering Committee box. Consider inviting NGOs as members of the project steering committee;</p>	<p>The organizational chart has been reformulated</p>	<p>Page 46</p>
<p>15. Include gender sensitivity as a requisite in the TOR for personnel, and include an additional duty in the TOR for the consultant in systematization of successful experiences related to the compilation of failures too;</p>	<p>The gender aspect has been included in all TORs and the requested changes to the TORs for the consultant in systematization of experiences have been made</p>	<p>Page 52</p>
<p>16. The Master Budget refers to the purchase of a vehicle and the allocation of US\$ 12,000 for inputs for the establishment of 4 pilot sites under activity 1.4 (and is also mentioned in the budget by component under items 43 and 61.5). However, no budget has been assigned to cover the project personnel/consultants that will oversee the implementation of the</p>	<p>Requested budget adjustments have been made</p>	<p>Page 32</p>

<p>forest landscape restoration sites. Clarify the lack of personnel or adjust the budget accordingly, and further break down the lump sum of US\$ 12,000 required for the establishment of the 4 pilot sites;</p>		
<p>17. Adjust the costs for ITTO monitoring and evaluation to US\$10,000 per year, only include US\$10,000 for ex-post evaluation, and recalculate ITTO's Programme Support Costs so as to conform to the new standard of 12% of total ITTO project costs; and</p>	<p>Monitoring and review costs as well as ex-post evaluation costs have been included</p>	<p>Page 39</p>
<p>18. Include an Annex which shows the overall assessment and recommendations of the 48th Panel and the respective modifications in tabular form. Modifications should also be highlighted (bold and underline) in the text.</p>	<p>Included in this annex</p>	<p>Pages 58 - 59</p>

ANNEX 5. Recommendations of 49th ITTO Expert Panel and resulting modifications

Reviewer Comments /Recommendations	Amendment(s) made	Page #
1. Restructure the Work Plan so as to reflect the timeline for the implementation of the activities as described under section 3.1 and adjust the Master Budget by Activity accordingly. The aforementioned restructuring should clearly show the correlation between the project's outputs, activities, work plan and the budget, as these currently do not appear to be in sync;	Outputs, activities, work plan and budget have been revised again and restructured.	Pages 28,30 and 31
2. Activity 2.2 should focus on developing a full set of technical guidelines for forest restoration under Guatemalan conditions over the project's 3-year timeframe, rather than just a draft set, and these should make full use of the existing ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests;	This recommendation has been taken into account and the relevant ITTO Guidelines will be used.	Pages 28 and 30
3. Adjust the costs for ITTO monitoring and review to US\$10,000 per year, include US\$10,000 for ex-post evaluation, and recalculate the ITTO's Programme Support Costs so as to conform to the new standard of 12% of total ITTO project costs;	These costs have been re-calculated.	Page 38
4. Nominate a high-ranking official of the Executing Agency INAB as the chairperson of the projects Steering Committee, as the project coordinator should serve as the committee's secretary; and	A high-ranking official of INAB will be appointed as chair of the Project Steering Committee and the Project Coordinator will serve as the Committee's secretary.	Page 48
5. Include an Annex which shows the recommendations of the 49 th Panel and the respective modifications in tabular form. Modifications should also be highlighted (<u>bold and underline</u>)	This annex has been included.	Page 639