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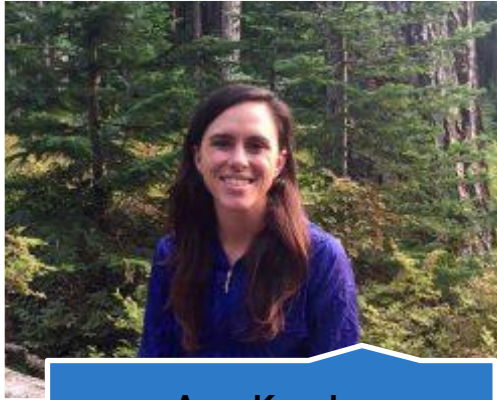
Guatemala Forest Protocol V1.0 Workgroup Meeting 1: Land Tenure and Eligibility

April 26, 2023

Introductions



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Amy Kessler
Director of Latin America



Claudia Jurado
Analytical Associate, Latin
America



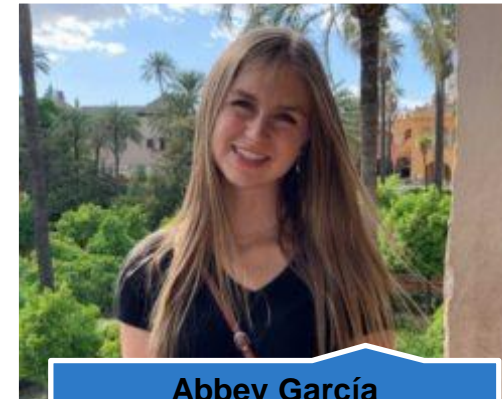
Miguel López Delgado
Analytical Manager, Latin
America



Celeste Meléndez
Analytical Associate, Latin
America



Jon Remucal
Associate Director of Nature
Based Solutions



Abbey García
Analytical Associate, Latin
America

Housekeeping

- Workgroup members have the opportunity to actively participate throughout the meeting
 - Ask that you keep yourselves muted unless / until would like to speak
- We will ask and take questions throughout the session
 - Please use the raise your hand function
- All other attendees/observers are in listen-only mode
- Observers are free to submit questions in the question box
- We will follow up via email to answer any questions not addressed during the meeting
- The slides and a recording of the presentation will be posted online

Agenda



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1. Presentations
2. Process Overview
3. Key Considerations for Eligibility
 1. Project and Activity Areas
 2. Land Tenure
 3. Eligible activities
4. Questions, comments, and next steps

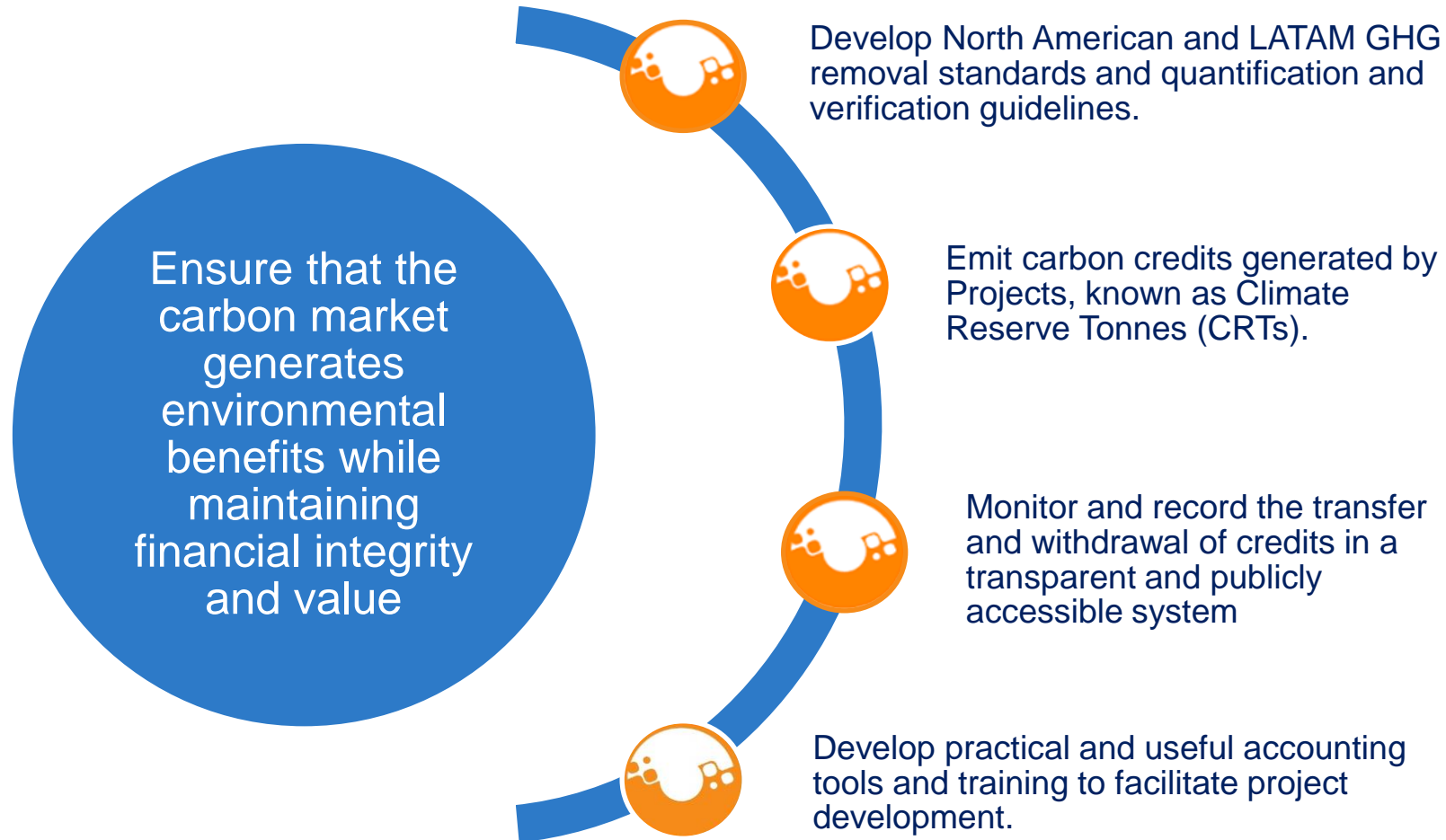


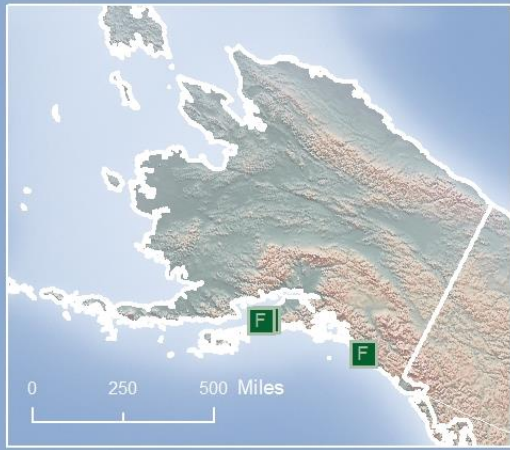
THE CLIMATE ACTION RESERVE

Climate Action Reserve

- Mission: to develop, promote and support innovative, credible market-based climate change solutions that benefit economies, ecosystems and society
- Develop high-quality, stakeholder-driven, standardized carbon offset project protocols across North America and Latin America
- Accredited Offset Project Registry under the California cap-and-trade program
- Serve compliance and voluntary carbon markets
- Reputation for integrity and experience in providing best-in-class registry services for offset markets

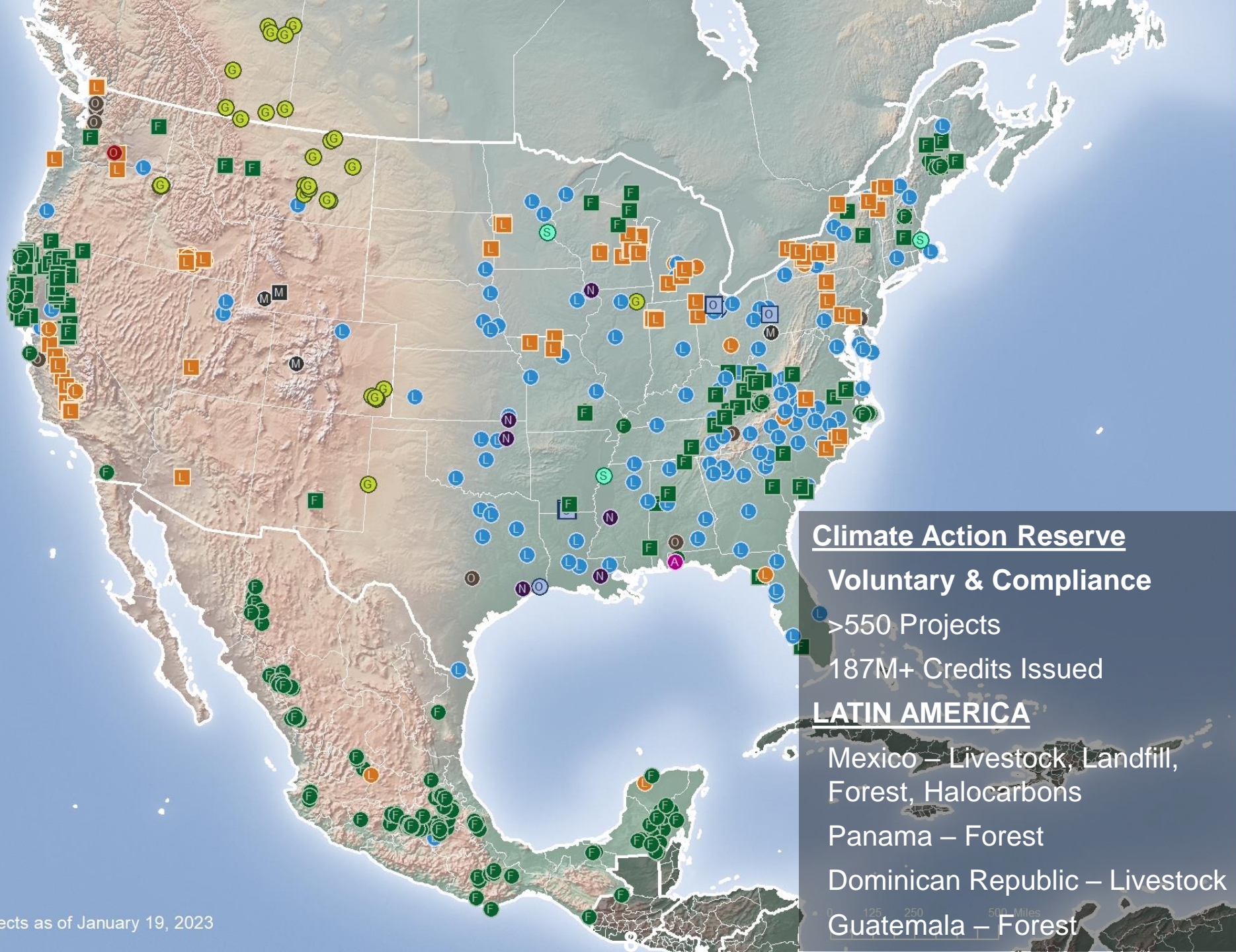
The Climate Action Reserve





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- Adipic Acid
- Forest
- Forest (ARB)
- Grassland
- Landfill
- Livestock
- Livestock (ARB)
- Mine Methane
- Mine Methane (ARB)
- Nitric Acid Production
- Nitrogen Management
- Organic Waste Composting
- Organic Waste Digestion
- Ozone Depleting Substances
- Ozone Depleting Substances (ARB)
- Soil Enrichment



Climate Action Reserve
Voluntary & Compliance

>550 Projects
187M+ Credits Issued

LATIN AMERICA

Mexico – Livestock, Landfill,
Forest, Halocarbons
Panama – Forest
Dominican Republic – Livestock
Guatemala – Forest

Listed, Registered, Transitioned, & Completed Projects as of January 19, 2023



Development process

GUATEMALA FOREST PROTOCOL

Workgroup Members

Organization (Alphabetical)	Name
Agroproyectos S.A.	Silverio Espino
Asociación SOPLANETSH	Xiomara Villeda
BRET CONSULTORES	Teresa Tattersfield
Carbonof	Geronimo Quiñonez Barraza
Climate Impact Partners	Eddy Melendez
Cool Effect	Rafael Mendoza
EARTHLAB	Oscar Ruiz (alternative)
Fundación Solar	Hugo Romeo Arriaza Moralesa
Independent consultant	Carlos Renaldo Bonilla Alarcón
Independent consultant	Aristides Lara
Independent Consultant	Teodoro Si Cuc
Itsmo Verde	Ivan Barrientos
Karbone, Inc.	Ariela Farchi Behar
MÉXICO2	Alejandra Blanco
Munnings Advisory Group LLC	Alicia Robinson
The Nature Conservancy	Sara Ortiz
Universidad Rafael Landívar	Roberto Waldemar Moya Fernández
WRI	Rene Ibarra
YAAX Carbon	Johny Romero Correa

Purpose

- To familiarize workgroup members with offset protocol development process – what we typically want in an offset protocol
- To present and solicit feedback from workgroup members on key considerations for the Guatemala Forest Protocol Version 1.0
- Provide draft protocol for reference and then revisions

Protocol Development Overview

- **GOAL:** To create a robust Guatemala Forest Protocol that provides best practices for GHG accounting to generate Climate Reserve Tonnes (CRTs)
- Ensure high quality carbon credits that guarantee the environmental and social integrity of the project.
- Align the protocol with the laws and regulations of Guatemala.
- Incentivize activities that increase carbon sequestration in the forestry sector.
- Generate co-benefits (social and environmental).
- Leverage lessons learned from the Reserve's US and Mexico Forest protocols
- Solicit and incorporate expert stakeholder feedback.

Timeline



Step	Details	Mar	Apr	May	June	July	Aug	Sep	Oct
Formation of the Working Group	Kick off meeting	29							
	Due date to submit the SOI: April 7		7						
Workgroup	Meeting I: Land Tenure + eligible activities		26						
	Meeting II: Safeguards + Addicionality			12?					
	Meeting III: Permanence + Quantification				1?				
Draft Protocol Development									
Work Group Review									
Public Comment Period	Public Comment Period								
	Review of comments and update of the protocol								
Approval by the Board of Directors of the Reserve	October 2023								4



Workgroup Process and Expectations

CAR/Process:

- Manage the protocol development process
- Hold ~3-4 workgroup meetings
- Reserve staff identify and solicit feedback on specific protocol criteria
 - **Specific questions for WG will be highlighted in red**
- Reserve staff will share the draft protocol with WG
- Revise protocol based on feedback

WG/Expectations:

- Attend all (~3-4) workgroup sessions
- Be active participants: provide input and ask questions on protocol concepts and language
- After meetings, share additional input and expertise as needed
- Review draft protocol and provide written feedback to Reserve staff
- Be constructive, collaborative, and productive

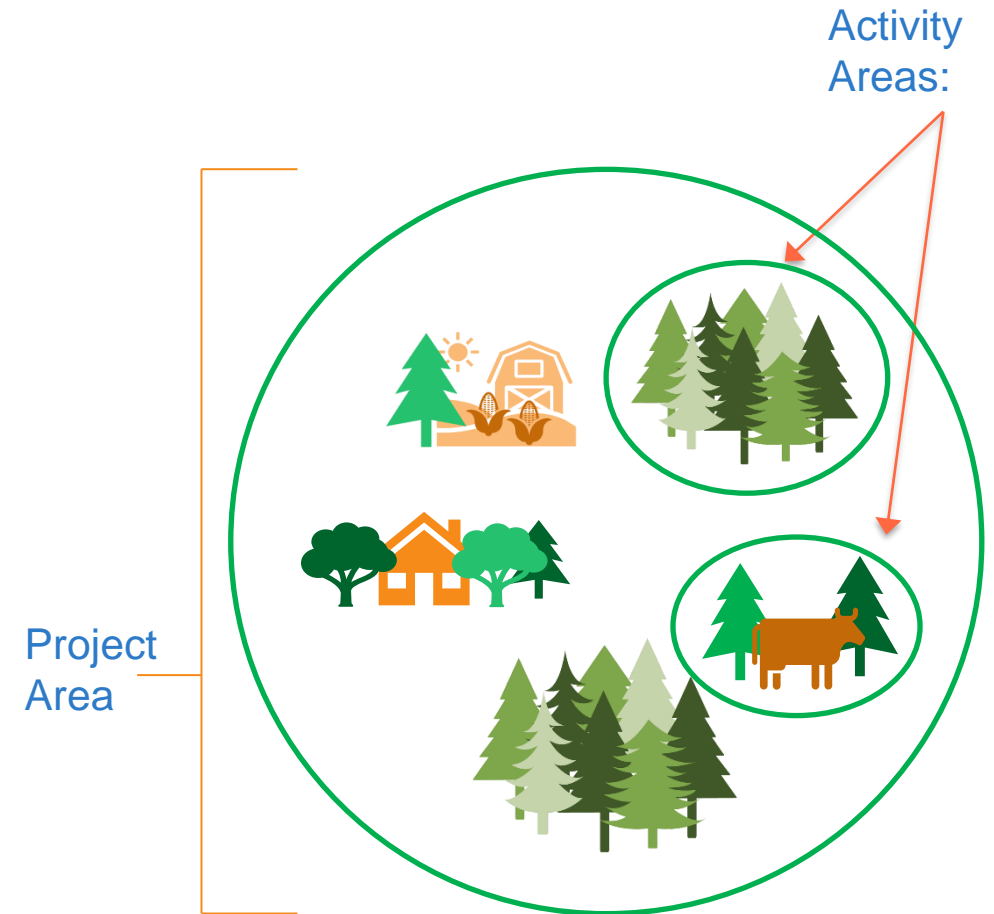


Eligibility

PROTOCOL DEVELOPMENT CONSIDERATIONS

Project Area and Activity Area

- **Project Area:** Includes the entire area within a property
- **Activity Area:** Specific areas where the defined activities that lead to a quantifiable increase in carbon stocks are carried out
- **Purpose:**
 - Allows for the inclusion of multiple activities within one Project
 - Can reduce administrative and project development costs for activities
 - Activities that are traditionally not economically viable can be incentivized
 - Allows for different levels of monitoring:
 - Project area: monitoring of leakage
 - Activity area: quantification of carbon stocks/removals



Land Tenure Categories in Guatemala

A Forest Owner can be any entity that has undisputed legal ownership of or jurisdiction over the forest carbon through outright ownership or through rights granted to them from a state or federal entity.

Potential Forest Owners in Guatemala:

- Private lands
- State lands
 - Municipal property
- Communal property (indigenous and rural)

Land Tenure in Guatemala



Property Type	Definition and Implications for Carbon Project	Do they have clear property rights?	Property Documents Provided	Is their ownership limited in any way? (temporal or other)
Private Lands	<ul style="list-style-type: none">Art. 460 of the 1973 Civil Code defines “private property” as goods belonging to natural and legal persons with legal title to them.	Yes	Land titles registered with the General Property Registry	No

Land Tenure in Guatemala

Property Type	Definition and Implications for Carbon Project	Do they have clear property rights?	Property Documents Provided	Is their ownership limited in any way? (temporal or other)
State Lands	<ul style="list-style-type: none"> The State has properties registered in its name and under the Constitution reserves dominion over State Land Reserves. Article 22 of the Climate Change Framework Law is clear that the State owns emissions reduction units from projects on its land. INAB and CONAP administer State property 	Yes	Land titles registered with the General Property Registry	No
Municipal Lands	<ul style="list-style-type: none"> On the basis that municipal land also belongs to the State, presumably the Climate Change Framework Law Art. 22 also authorizes municipalities to carry out emissions reductions projects. 	Yes	Land titles registered with the General Property Registry	No

Land Tenure in Guatemala



Property Type	Definition and Implications for Carbon Project	Do they have clear property rights?	Property Documents Provided	Is their ownership limited in any way? (temporal or other)
Communal Lands	<ul style="list-style-type: none"> Communal lands are often registered to municipalities and have legal agreements to occupy the lands approved by the Municipal Council and grant full authority to the local government. PROBOSQUE requires these agreements cover the full duration of the Forest Management Plans and must be a minimum of 5 years but there is no maximum time limit. 	Yes	<p>Land titles registered with the General Property Registry</p> <p>OR</p> <p>Legal agreements granting full authority to the local government registered with the Municipality and/or within the Indigenous Townhalls' Book of Acts</p>	(Further questions on next slide)

Land Tenure in Guatemala: Municipal Lands

- Are the municipal agreements registered with the General Property Registry or elsewhere?
- Are they limited temporally in any way?
- Is there clear demarcation of the communal lands with municipal agreements?
- If the municipality changes, could this affect the municipal agreements?
- Do the communities have unlimited authority to manage their forestlands per these agreements?

- Are there other land title structures for communities we should consider? i.e. cooperatives? Associations? Registered land title?
- Is there are registry of land conflict disputes?

Potential Activities



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- To facilitate adaptation of the protocol, include only those activities that result in carbon increases (i.e. removals/sequestration) are considered.
- "Activities" are discrete management actions that increase carbon sequestration in forests and forest products above the baseline.
- Potential activities include:
 - Agroforestry and Silvopastoral Systems
 - Improved Forest Management
 - Reforestation
 - Restoration
 - Urban Forests



Definition of Activities: Agroforestry and Silvopastoral Systems

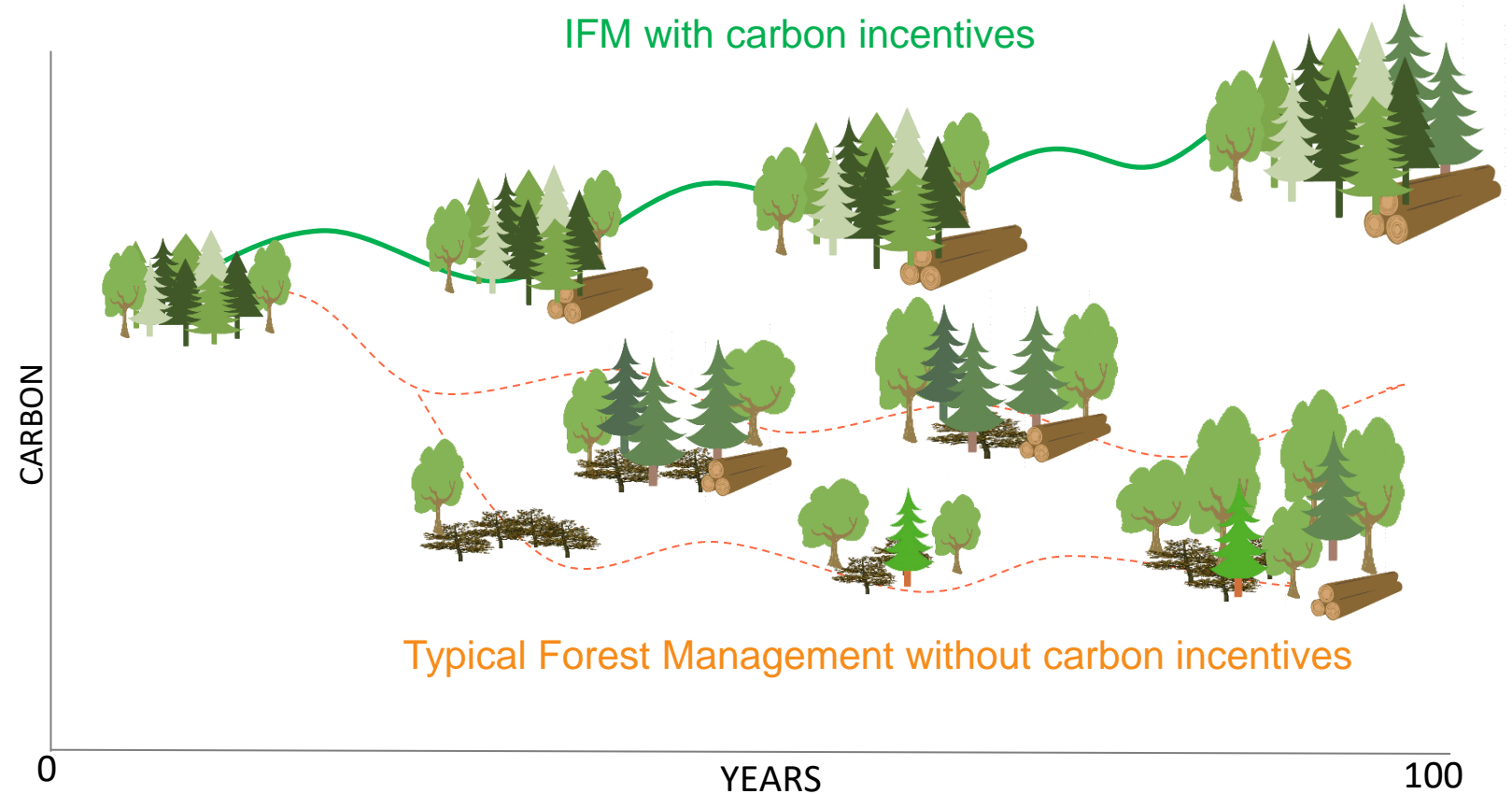


Activity Area	Description
Agroforestry and Silvopastoral Systems	<ul style="list-style-type: none">• Agroforestry is the intentional integration of trees into non-tree crop and animal farming systems.• The main human activity is agriculture and/or livestock• Land cover is defined as agriculture or grassland• Trees are planted or natural regeneration is promoted• Trees may exist amongst, or adjacent to the cultivated crops and grazing areas, and may be harvested as allowed by law.

- Comments?

Definition of Activities: Improved Forest Management (IFM)

- Economic returns are important drivers for forest management.
- Carbon finance provides an incentive to invest in tree thinning to maintain healthy and growing trees and defer timber revenue until forests grow in maturity and productivity.



Definition of Activities

Activity Area	Description	Criteria
Improved Forest Management	<p>A set of management actions that enhance sequestration and resiliency of sequestered carbon in forest landscapes under harvest management plans. Activities that lead to carbon enhancements in managed forests, may include, but are not limited to, the following actions:</p> <ul style="list-style-type: none">▪ Increase the harvest rotation age towards optimum rotation age.▪ Harvest selection while thinning to retain the best genotypes and phenotypes to improve the rate of sequestration.▪ Control stocking to manage competition, and the related effects on forest growth and resiliency.▪ Increase stocking in understocked areas within the managed forest.▪ Reduction of litter and surface fuels in fire-prone ecosystems to enhance resiliency.	<p>The primary land cover is forest, which may be present in varying densities and sizes, and the forest has a forest management plan authorized by INAB for the purposes of commercial timber harvest.</p>

- Do the forest management plans allow for harvest of up to 100% annual growth of the forest/forest management plan in total (sum of the stands)?
- If not, how is the authorized volume determined? Can an example be provided?
- What is the temporality of the forest management plans?
- Are there annual reports on harvested wood volume?
- Other comments?

Definition of Activities

Activity Area	Description	Criteria
Reforestation	Direct planting of native tree seedlings or site preparation activities that result in forest regeneration of native species, resulting in enhanced carbon sequestration.	<ul style="list-style-type: none">• Can occur on landscapes that have been out of forest cover for the past 10 years• OR have recently been impacted by a natural disturbance that has reduced the canopy cover to less than 50%.• Can occur within protected areas.

- Comments?

Definition of Activities

Activity Area	Description	Criteria
Restoration	<ul style="list-style-type: none">• Restoration is a set of actions applied to increase carbon stocks and canopy cover on degraded natural forests.• Actions may be direct and include tree planting, authorized thinning for disease and infestation, or other silviculture action to increase forest cover.• Actions may also be indirect and focused on reducing ongoing actions that led to degraded forest conditions, thereby enabling natural forest succession to enhance carbon stocks.	<ul style="list-style-type: none">• Restoration is an eligible activity in any natural forest, including protected areas, that does not have an authorized Forest Management Plan for commercial timber harvest and/or where commercial harvesting is prohibited due to a law, regulation, or norm.• Actions implemented may not contradict any regulation or management plan governing the Activity Area.• Must pass Performance Standard Test to demonstrate risks of deforestation/degradation

- Comments?

Definition of Activities

Activity Area	Description	
Small Urban Forests	<ul style="list-style-type: none">The direct planting and management for increased forest cover within urban areas.	<ul style="list-style-type: none">Can only occur on lands zoned as urban.Include urban areas less than 10 contiguous hectares with a minimum 10% canopy cover and can include the planting of street trees.
Large Urban Forests		<ul style="list-style-type: none">Can only occur on lands zoned as urban.Occur on urban landscapes that are at least 10 contiguous hectares with a minimum of 10% canopy cover.

- What is the appropriate government agency or data source for defining urban areas?
- Other comments?



SUMMARY AND NEXT STEPS

Timeline of protocol development



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Next steps

- ***For Interested Stakeholders:***
 - Still can submit Local Engagement Form
 - Email interest to sign up for updates as an observer
 - Email us feedback anytime
- ***For Reserve:***
 - Compile summary notes on discussion
 - Post recording, notes, and presentation to the webpage
 - Start drafting protocol with workgroup considerations
 - Prepare for the next workgroup meeting: **May 12th?**
- ***For Workgroup:***
 - Email feedback on today's discussion by **May 5th**
 - Look out for invitation for the next WG meeting: **May 12th**



QUESTIONS OR COMMENTS?

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