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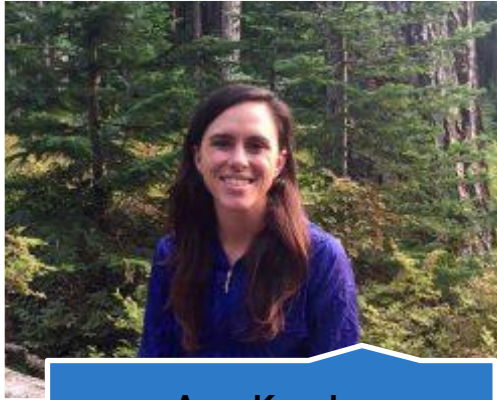
Guatemala Forest Protocol V1.0 Workgroup Meeting 3: Social Safeguards & Additionality

May 30, 2023

Introductions



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Amy Kessler
Director of Latin America



Claudia Jurado
Analytical Associate, Latin
America



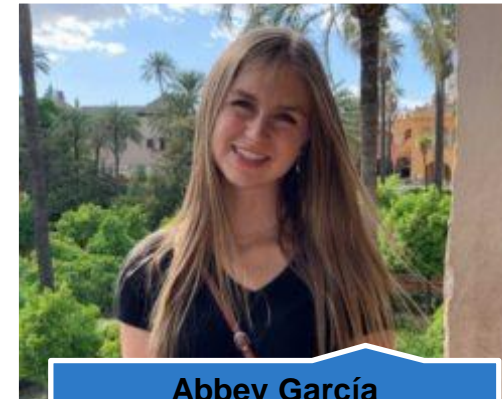
Miguel López Delgado
Analytical Manager, Latin
America



Celeste Meléndez
Analytical Associate, Latin
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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



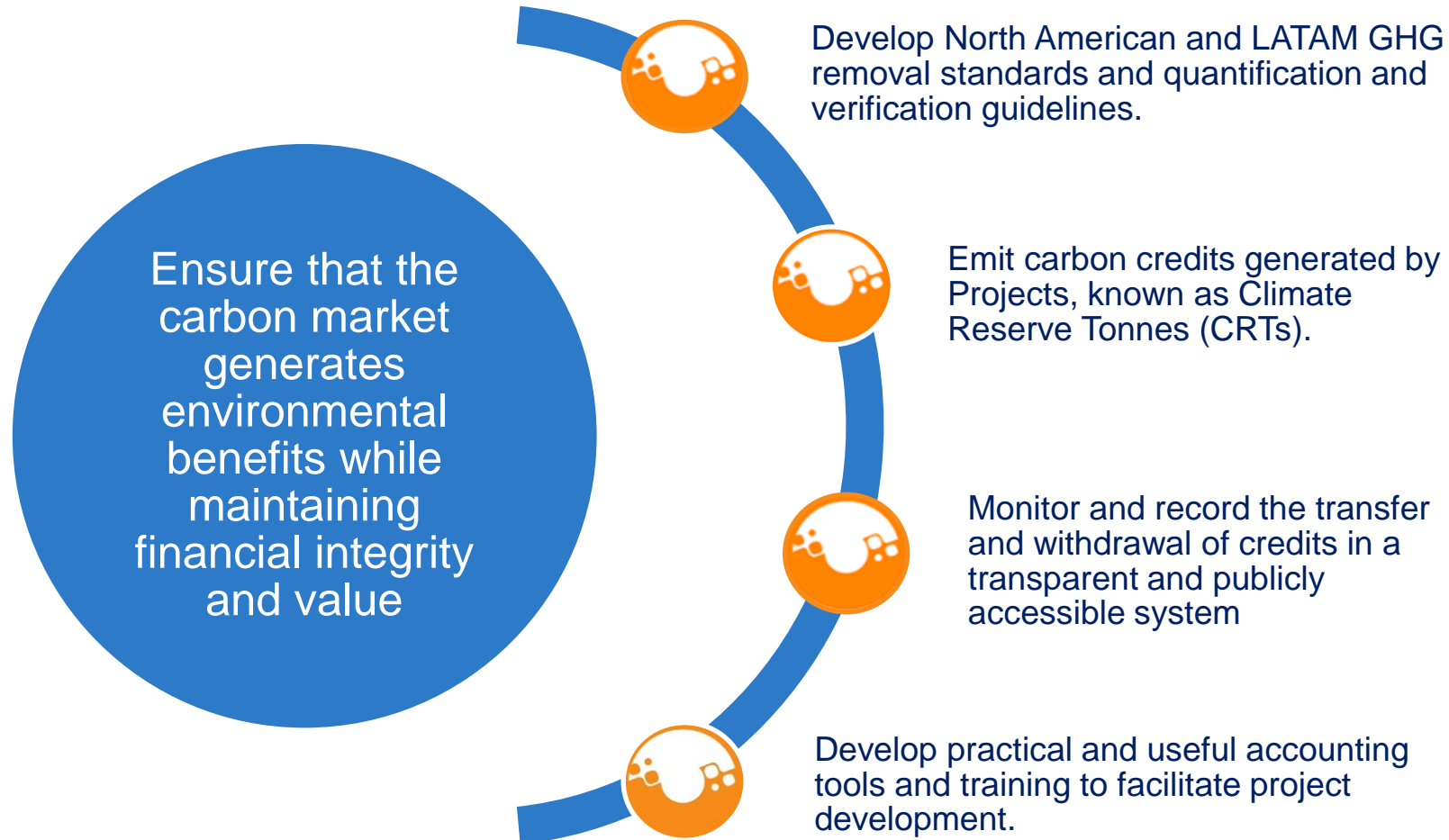
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1. Presentations
2. Process Overview
3. Key Considerations for Eligibility
 1. Summary Land Tenure, Eligible Activities & Environmental Safeguards
 2. Social safeguards
 3. Additionality
4. Questions, comments, and next steps

The Climate Action Reserve



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Development process

GUATEMALA FOREST PROTOCOL

Workgroup Members

Organization (Alphabetical)	Name
ACOFOP	Sergio Guzman
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	Yulisa Camacho (alternative)
Munnings Advisory Group LLC	Alicia Robinson
Swisscontact	Miguel Chacón (alternative)
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.

Workgroup Process and Expectations

CAR/Process:

- Manage the protocol development process
- Hold ~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 (~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

Summary: Eligible Activities & Environmental Safeguards

Eligible Activities

- Agroforestry and Silvopastoral Systems
- Improved Forest Management
- Reforestation
- Restoration
- Urban Forests

Environmental Safeguards

- Maintenance or increase of carbon pools (Activity Areas)
- Number of native species
- Native species composition
- Maintenance or increase of canopy cover in the Project Area
- Sustainable harvesting practices
- Maintenance of natural ground cover
- Soil disturbance during site preparation for tree planting

Forest management plans

- Approved by INAB & CONAB for protected lands
- 100% of annual growth can be harvested (limited to 80% on protected lands) - Licenses

Urban Forests: defined by municipal forestry offices in coordination with INAB

Summary of Land Tenure Documentation

Private Property

- Real Right
 - Title/Certificate of Ownership from the General Property Registry (with information of Book, folio, finca, ID owner, etc. and sometimes information about conflicts)
- Possessory Right with Legal Title
 - Title/certificate issued by the corresponding municipality
 - Declaration of Ownership document before a court/notary public
 - Public deed (not necessarily registered in the RGP)
 - Title/Certificate from the Registry of Cadastral Information (RIC)

Public Property

- State managed land
 - RGP document
- Concessions
 - Concession Contract + INAB Books + RGP Title/Certificate

Communal Property

- Legal title of real or possessory rights (above)
- Certification of concession from municipality
- Title/Certificate from the Cadastral Information Registry (RIC)
- Title/Certificate from the Office of Control of State Reserve Areas (OCRET) - **Mangroves?**

Requirements for compliance with social safeguards include:

Free, prior and informed consent

- Have one or a series of assemblies where project issues are discussed before the vote
- Have a vote to approve the project
- In Guatemala it is ratified in Convention No. 169 of the International Labor Organization. Decree 9-96 of the Congress of the Republic 1996

Notification, Participation and Documentation

- Describe how assemblies are announced
- Have spaces for participation
- Publicly document assemblies

Project governance

- Identify a project coordinator to represent the community with the verifiers and the Reserve

- Apply social safeguards for all project types or only communal properties?

Social Safeguards: Free, Prior, and Informed Consent

Free, Prior, and Informed Consent

- Prior to project registration, Forest Owners must hold an Assembly to comply with FPIC.
 - Provisions must be made to ensure non-Spanish speaking participants can understand the material and communicate during assemblies.
 - Assemblies must be announced in a manner to ensure that the information reaches all community members, including vulnerable groups like women and young people.
 - The Assembly Acts and proof of the Assembly (through photographs or signatures) must be included in the Project Report.
 - These assemblies must adhere to proper notification, participation, and documentation requirements in the section on Notification, Participation, and Documentation below.
-
- On communal property in Guatemala, how are collective decisions made?
 - Is there a general assembly and elected governance structure?
 - Is there a legal documentation of these assemblies such as an assembly act? Are they notarized or registered with a government registry?

Social Safeguards: FPIC

Social Safeguard	Description
SS1 Forest Carbon Project Concepts	<p>The rationale behind the participation in a forest carbon project must be discussed prior to the initial approval of the Forest Project. Presentations must address the following topics:</p> <ul style="list-style-type: none">• Climate change associated with GHGs• Role of forests in mitigating climate change• Opportunities (economic and environmental) for participation in carbon project• Methods to enhance forest carbon stocks• Requirements associated with the project, including additionality and permanence• Importance of maintenance of native biodiversity• General project costs and how project design may affect project profitability

- Comments?

Social Safeguards: FPIC

Social Safeguard	Description
SS2 Anticipated Costs	Anticipated costs must be discussed and documented prior to project registration, including: <ul style="list-style-type: none">• Site preparation• Provision of and planting of forest seedlings• Inventory and monitoring• Project governance• Project verification• Changes in land use and access to resources• Administrative costs for the Forest Project• Division of costs between the project developer, Forest Owner, and other parties involved• Division of labor required by parties involved
SS3 Anticipated Benefits	Anticipated economic benefits must be discussed and documented prior to project registration, including: <ul style="list-style-type: none">• Local environmental benefits, i.e. biodiversity, water quality, soil conservation, and recreation• Economic benefits associated with carbon, along with sources for estimated carbon prices• Distribution of benefits to the community, including anticipated timing of distributions, and division of benefit payments to other actors, including project developers, aggregators, and other parties involved• Credit pricing information and where it was sourced

- Comments?

Social Safeguards: FPIC

Social Safeguard	Description
SS4 Credit Sales and Use of Funds	<p>All credit sales and use of funds generated by the project must be discussed and documented prior to each reporting period, including:</p> <ul style="list-style-type: none">• How decisions will be made regarding the use of funds generated by the project• The dynamics that determine market prices of voluntary carbon credits and sources used• Credit pricing information and where it was sourced• If the project has previously sold credits, the extent of any negotiations and all considered offers and credit pricing• If the project has previously sold credits, purchase agreements and related contracts must be presented on and made available to community members• If the project has previously sold credits, how the funds from those credits were used
SS5 Project Approval	<p>After the topics to comply with SS1-SS4 have been presented in an Assembly, the project must be approved prior to project registration through:</p> <ul style="list-style-type: none">• Established formal and/or traditional authorities• An Assembly Act with consensus (>50%) of all present community members in favor

- Comments?

Social Safeguards: FPIC

Social Safeguard	Description
SS6 Project Developer Approval & SS7 Aggregate Approval	<p>When working with a separate project developer or joining an aggregate, the decision must be approved through:</p> <ul style="list-style-type: none">• Established formal and/or traditional authorities• An Assembly Act with consensus (>50%) of all present community members in favor• A contract that determines the scope of project developer/aggregator services, the terms of payments, and the division of costs and benefits must be made available. Contracts must clearly establish the rights to CRTs and future credit payments, as well as terms for contract renewal, renegotiation, or termination, including measures to reassess the terms of contract on an ongoing basis or in the event of noncompliance with the terms of the contract. The contract will be maintained as a confidential document on the Reserve registry.• For aggregates, the contract cannot define terms for a landowner beyond 6 years without requiring a new vote.

- Comments?

Social Safeguards: Notification, Participation & Documentation

Notification, Participation, and Documentation

Assemblies (at least once a year) are held to discuss critical elements associated with project activities. Assemblies must prove that vulnerable groups are included. Each Assembly must include the following items on the agenda:

- Forestry activities (management actions, environmental issues, grievances, other concerns/opportunities)
Programmatic events (MRV)
- Credits issued
- Benefit sharing arrangements
- Finances

In addition to community Assemblies, community participation in the project development and verification processes is critical to ensure the longevity of the Forest Project.

- **Comments**

Social Safeguards: Notification, Participation & Documentation

Social Safeguard	Description
SS8 Proper Notification	<ul style="list-style-type: none">• Describe how notices of Assemblies take place in order to include as many people as possible
SS9 Participation	<ul style="list-style-type: none">• Assemblies must provide a sign-in sheet so that attendance can be monitored• Opportunities for all community members to share opinions, both in writing and orally• Describe how members of the community are incorporated in the design, development, and ongoing MRV of the Forest Project
SS10 Assembly Documentation	<ul style="list-style-type: none">• An Assembly Act must document the discussions associated with each required item on the agenda• Describe how Assembly Acts will be publicly available as part of the project record

- Comments?

Social Safeguards: Project Governance



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Project Governance

Forest carbon projects require an organizational structure that will endure for long periods of time. A Project Coordinator must be selected by the community to represent the Forest Owner with the project developer, verifiers, and Reserve staff. The Project Coordinator is responsible for:

- Ensuring all project-related documentation is in order and up to date
- Ensuring Assemblies include the required elements above and providing the corresponding act
- Organizing logistics with verifiers and Reserve staff

- **Comments?**

Social Safeguards: Project Governance

Social Safeguard	Description
SS11 Identification of a Project Coordinator	<ul style="list-style-type: none">• A description of the nomination process and the selection/election process must be documented in the Project Report• PC must be approved with a >50% vote of the community present• For communities, must be a member
SS12 Role and Participation of the PC	<ul style="list-style-type: none">• The PC should be included as the Account Manager for the Forest Owner account on the Reserve registry• The PC should be included in all communications between the project developer and the Reserve and/or verification body as well as communications regarding the sale of credits issued• The PC should be included in all project MRV processes
SS13 Term of a PC & SS14 Replacing a PC	<ul style="list-style-type: none">• The length of the term of PC must be defined in the Project Report• The Project Report must identify whether the position of PC can be renewed and, if so, for how many terms• To address potential disputes associated with the PC and/or Forest Project, a dispute resolution process and process to replace the PC from the position must be documented in the Project Report

- Comments?



Additionality

PROTOCOL DEVELOPMENT CONSIDERATIONS

A forest project is considered additional if it would not have been implemented without carbon market incentives.

- Forest Project must comply with the following :



Legal requirement test:

- Carbon generated beyond legal regulations.
- Attestation of Voluntary Implementation.



Performance standard test:

- It is based on evidence that there is a risk of forest cover loss and carbon inventories
- Carbon that is above baseline is considered additional
- Different methodologies for each type of activity



Performance standard test: Forest Management Activity Areas

- Reforestation activities, by definition, must take place in :
 - Lands that are not in forest cover on the Activity Area on the start date
 - Lands that have not been in forest cover within the past 10-years
 - Or have recently experienced a natural disturbance that reduced live tree stocking below 50% live canopy cover.
- Activities that comply with this definition of Reforestation automatically satisfy **the performance standard test**

Small Urban Forestry, Agroforestry, and Silvopastoral Activity Areas

- Due to the inherent risk of deforestation and degradation, they automatically satisfy the Performance Standard Test.
- Activities are considered additional to the extent they produce GHG removals in excess of the Activity Area baseline

Performance standard test: Large Urban Forestry Activity Areas

- Is based on analysis of historical canopy cover throughout the Activity Area
 - **A trend** for the Activity Area is developed by calculating a historical estimate of canopy cover and a recent estimate of canopy cover
 - The trend analysis should use at least two historical estimates that are at least 10 years apart, and with the earliest year no earlier than 1990
 - The protocol has a standardized methodology for estimating canopy cover from remotely sensed data
 - If historical images are not available, more recent images may be used, subject to Reserve approval.

If the historical trend of canopy cover is decreasing, it passes the performance standard test.

Performance Standard Test: Improved Forest Management Activity Areas

- Evaluate the forest carbon stocks at risk of being harvested in the baseline scenario compared to project scenario that implements management activities to increase and maintain carbon stocks over the project life
 - Use the Forest Management Programs and laws that regulate the permitted harvested volume to determine the baseline scenario
- **Forest Management Programs (FMP):** Are documents approved by INAB or CONAP that allow the harvesting of wood
 - Please provide a forest management plan, INAB/CONAP approval document and authorized harvesting license
 - Is it possible to update FMPs and harvest volumes if growth is higher than estimated?
 - Are there commercial FMPs within the communal lands aside from the ones with forestry concessions?

Performance Standard Test: Restoration Activity Areas

- Is based on evidence that risks to forest inventories: The assessment of risk is based on an analysis of drivers of deforestation and degradation that may impact the land
- **Forest cover risk tool:**
 - Sub-section 1: Examines **legal restrictions** that may reduce the risk of deforestation
 - Sub-section 2: Establishes the **risk of deforestation** due to the presence of agricultural activities, biophysical characteristics, urban development, and economic pressures
 - If an Activity Area demonstrates that there is sufficient risk of deforestation, it may pass without completing the third section.
 - Sub-section 3: Assesses **the presence of degradation**
 - It must demonstrate the loss of canopy cover through the use of remote sensing data.
 - The protocol has a standardized methodology for estimating canopy cover from remote sensing data.
 - If the historical trend of canopy cover is decreasing by at least 10% over a 10-year period, it passes the performance standard test.

Restoration PST Tool

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	Sección 1 - Protección a largo y corto plazo																		
2	1.1	¿El Área de Actividad está bajo algún esquema de protección a largo plazo que NO permita el aprovechamiento comercial (por ej., Parque Nacional, Veda Forestal)?							\$?									
3	1.2	¿El Área de Actividad está bajo algún esquema de protección temporal que NO permita el aprovechamiento comercial (por ej., Programa de Pago por Servicios Ambientales de CONAFOR)?							\$?									
6	Sección 2 - Riesgo de cambio de uso de suelo de forestal a no forestal (crecimiento urbano y actividades agropecuarias)																		
8	2.1	Favor de estimar el tamaño de la población, según el tiempo correspondiente que tardaría una persona en llegar del camino más cercano al Área de Actividad al poblado identificado.							0 - 15 Minutos	16 - 60 Minutos	61 - 120 Minutos	> 2 horas							
9									100,000 - 249,999	2,500 - 29,999	100,000 - 249,999	100,000 - 249,999	100,000 - 249,999						
11	2.2	¿Las actividades agropecuarias que se llevan a cabo fuera del AA (considerando un radio de 1 km del límite geográfico definido) son con fines de subsistencia o comerciales?							Comercial	?									
12	2.3	Si las actividades agropecuarias son con FINES COMERCIALES, ¿el precio del producto principal ha incrementado, mantenido igual o disminuido en el último año?							Mantenido igual	?									
13	2.4	¿Las actividades agropecuarias que se llevan a cabo fuera de las AA (considerando un radio de 1 km del límite geográfico definido y dentro del predio del Dueño Forestal) reciben subsidios del gobierno para llevar a cabo actividades agrícolas o pecuarias?							No	?									
14	2.5	¿Cómo se caracteriza la pendiente en el Área de Actividad?							Medio	?									
17	Favor de continuar con el cuestionario																		
19	Sección 3 - Análisis de Degradación a partir de la Cobertura de Copa																		
21	3.1	¿Cuál es el estimado del promedio de cobertura de copa (porcentual) calculado con una imagen satelital HISTORICA ? (Ver Apéndice C del							30	%	?								
23	3.2	¿Cuál es el año de la imagen histórica?							2000										
25	3.3	¿Cuál es el estimado del promedio (porcentual) de cobertura de copa calculado con una imagen satelital ACTUAL ? (Ver Apéndice C del PFI							50	%									
27	3.4	¿Cuál es el año de la imagen más reciente?							2020										
28		Cambio porcentual							-22%										
31	El Área de Actividad pasa la Prueba del Estándar de Desempeño																		
Instrucciones Ingreso de Datos_General Ingreso de Datos_Manglar																			

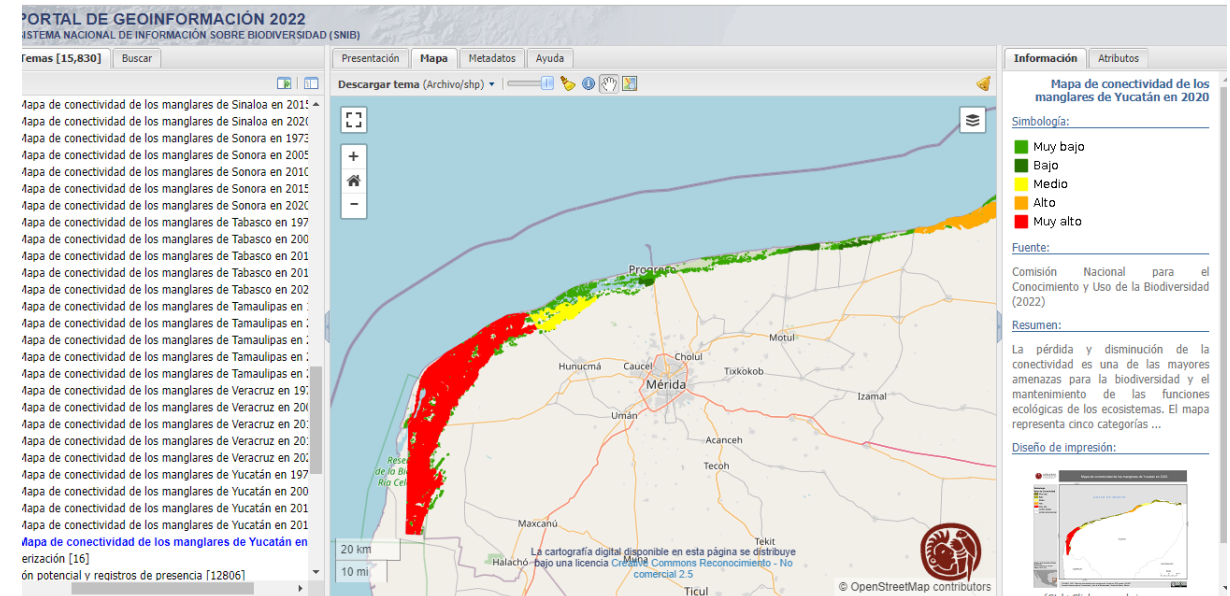
Are there other studies or considerations for Panama that we should take into consideration?

Performance Standard Test: Restoration Activity Areas



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- For mangroves, we include a specific assessment using a mangrove monitoring system to evaluate the anthropization, fragmentation, and connectivity of mangroves.
- Is there any type of monitoring system in Guatemala?
- If not, would the existing assessment be enough? Or are there any other mangrove risk factors that should be taken into consideration?





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: **June 13th**
- ***For Workgroup:***
 - Email feedback on today's discussion by **June 8th**
 - Look out for invitation for the next WG meeting: **June 13th**



QUESTIONS OR COMMENTS?

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