



CLIMATE
ACTION
RESERVE

Guatemala Forest Protocol V1.0

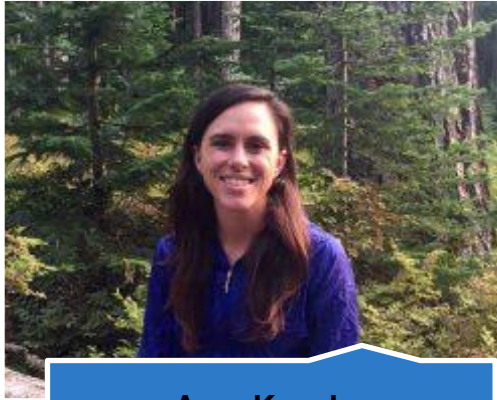
Public Comment Period Webinar

November 7, 2023

Introductions



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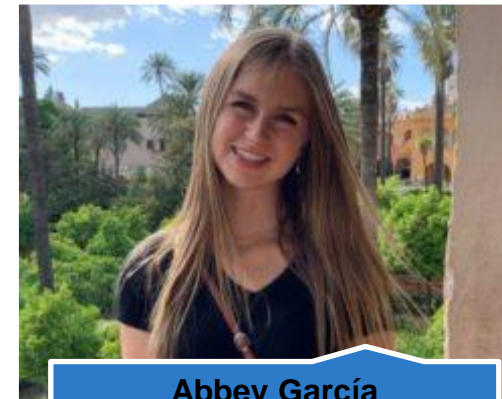
Miguel López Delgado
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- All attendees are in listen-only mode
- Questions can be submitted in the Zoom question box.
- We kindly ask that you remain in silent mode unless/until you want to speak.
- We will ask and answer questions throughout the session.
- We will follow up by email to answer any questions not addressed during the meeting.
- Slides and a recording of the presentation will be posted online.

Agenda



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1. The Climate Action Reserve
2. Forest Protocol for Guatemala Development Process
3. Key Considerations of the Draft GFPs
4. Questions, comments and next steps



THE CLIMATE ACTION RESERVE

Climate Action Reserve



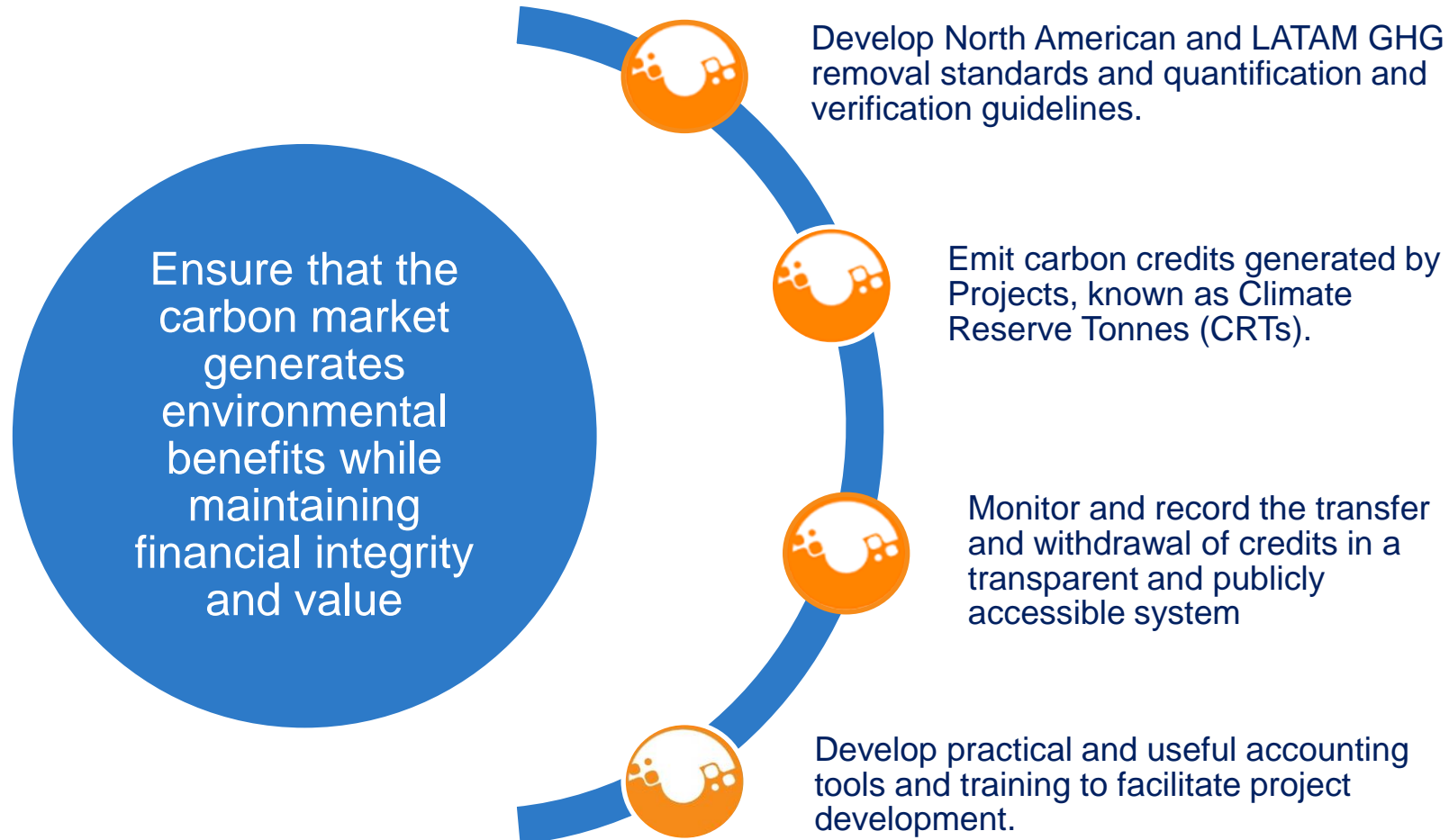
Mission: to develop, promote and support innovative, credible market-based climate change solutions that benefit economies, ecosystems and society

- Develop high-quality, stakeholder-driven, standardized carbon offset project protocols across North America, Latin America, and globally
- 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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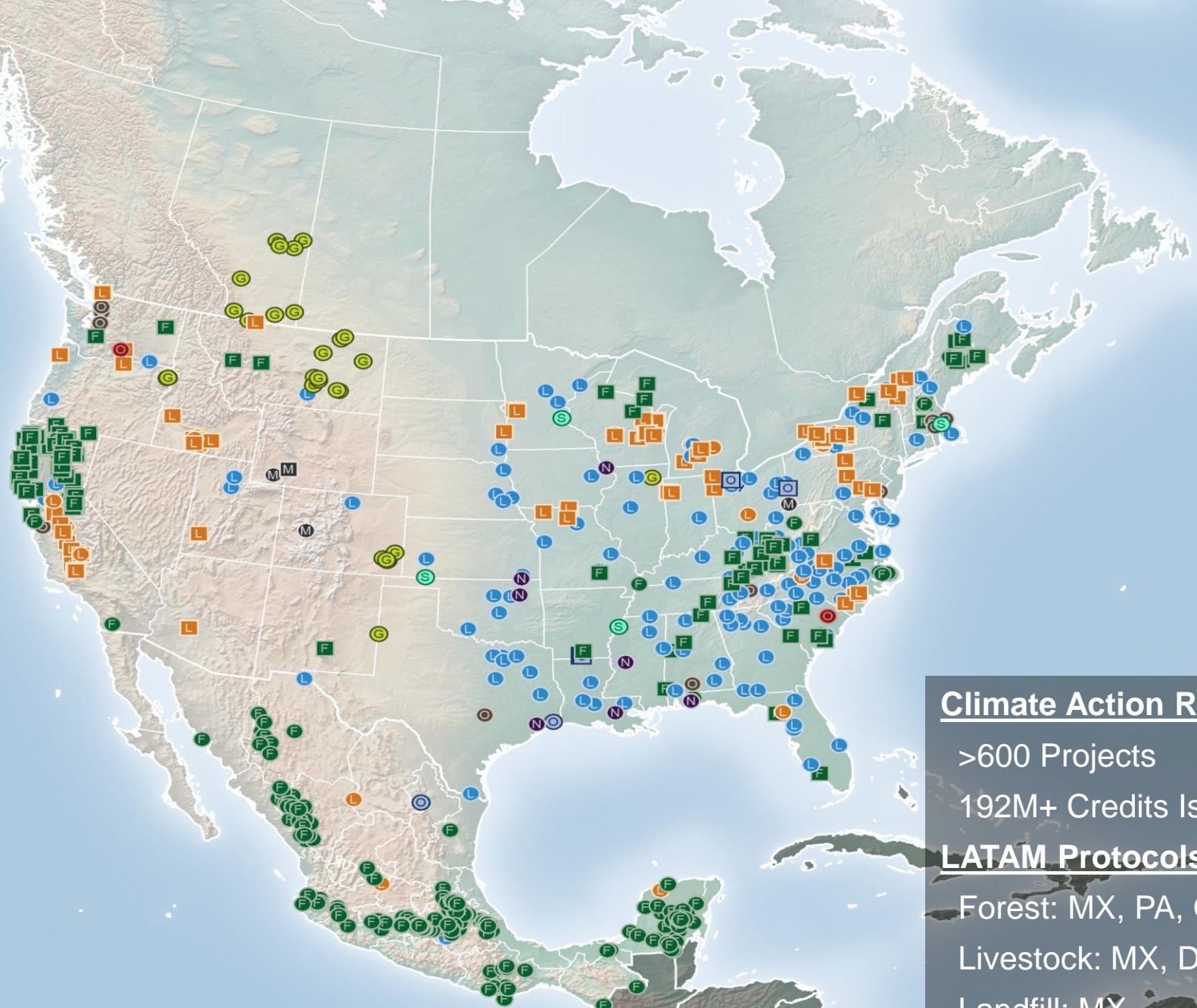




CLIMATE ACTION RESERVE

- A Adipic Acid
- F Forest
- F Forest (ARB)
- G Grassland
- L Landfill
- L Livestock
- L Livestock (ARB)
- M Mine Methane
- M Mine Methane (ARB)
- N Nitric Acid Production
- N Nitrogen Management
- O Organic Waste Composting
- O Organic Waste Digestion
- O Ozone Depleting Substances
- O Ozone Depleting Substances (ARB)
- S Soil Enrichment

978 Listed, New, Registered & Completed Projects as of August 28, 2023



Climate Action Reserve

>600 Projects
192M+ Credits Issued

LATAM Protocols

Forest: MX, PA, GT
Livestock: MX, DR
Landfill: MX
Halocarbons: MX

165 330 660 Miles

Principles of the Reserve Program

All registered projects and credits issued by the Reserve must be:

ADDITIONAL	VERIFIED	REAL	PERMANENT	ENFORCEABLE
<ul style="list-style-type: none">• Beyond common practices• Beyond regulatory requirements	<ul style="list-style-type: none">• Standardized eligibility criteria and quantification methodologies• Independent third-party review.	<ul style="list-style-type: none">• Conservative emissions accounting• Prescriptive models and equations• Uncertainty reduction	<ul style="list-style-type: none">• Monitoring and reporting processes• Any leakage or loss is quantified and compensated	<ul style="list-style-type: none">• Processes to ensure program compliance• Accountability mechanisms

- The Reserve seeks to be practical and ensures that projects do not have negative impacts
- The standards include social and environmental safeguards to ensure the participation and benefit of the participants

GHG Accounting Standardization

Two elements:

- Determination of project eligibility and additionality using standardized criteria rather than project-specific assessments.
- Quantification of GHG reductions/removals through a baseline established under certain assumptions, emission factors and monitoring methods.

Objectives:

- Minimize personal judgment in project assessment
- Reduce transaction costs for the project developer, minimize uncertainties for investors, and increase the transparency of the project when it is approved and verified



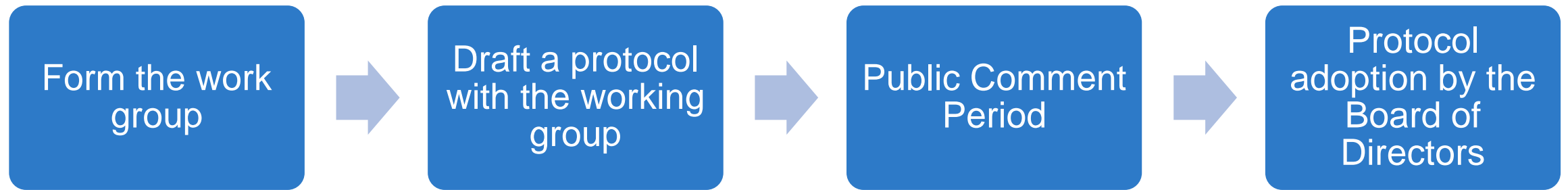
Development process

GUATEMALA FOREST PROTOCOL

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, regulations and local conditions 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.

Rigorous, Inclusive and Transparent Process for the the Protocol Development



Inclusive Process: A balanced multi-stakeholder working group is formed with sector (forest) and jurisdiction (Guatemala) experts, state and federal agencies, environmental organizations and other stakeholders.

- Stakeholders that are not part of the working group can still participate in the process as “observers”.

Transparent Process: All working group meetings and webinars for the public comment period are recorded and posted on the website along with the drafts

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	Juan Pablo Caamal Sosa
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
Swisscontact	Andrea Mazariegos
The Nature Conservancy	Sara Ortiz
Universidad Rafael Landívar	Roberto Waldemar Moya Fernández
WRI	Rene Ibarra
YAAX Carbon	Johny Romero Correa

Timeline

Step	Details	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
Formation of the Working Group	Kick off meeting	29										
	Due date to submit the SOI: April 7		7									
Workgroup	Meeting I: Project Design + Land Tenure		26									
	Meeting II: Eligible Activities + Environmental Safeguards			12								
	Meeting III: Social Safeguards + Additionality			30								
	Meeting IV: Permanence, Quantification & MRV				13							
Draft Protocol Development						25						
Work Group Review	WG review					25	8					
	Meeting V: Draft Key Considerations						2					
	WG Comments Review											
Public Comment Period	Public Comment Period								16	14		
	Review of comments and update of the protocol											
Approval by the Board of Directors of the Reserve	January 2024											24



Draft Key Considerations

GUATEMALA FOREST PROTOCOL

Adaptation of the Forestry Protocol to Guatemala

Use the Mexican Forest Protocol V3.0 as a starting point

- Facilitate the development of the protocol.
- Robust protocol with more than 10 years since its publication.
- Mexico's forestry sector is similar to Guatemala's.
- Working with ItsmoVerde and MexiCO2 to facilitate initial adaptation financing.

The main changes are described below:

- Evaluate Guatemala's land tenure, laws, regulations and common practices.
- Evaluate the need for new safeguards (social and environmental).

Key Protocol Sections



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Section 2. Project Development and Maintenance Stages

Section 3. Eligibility Criteria and Participation Requirements

Section 5. Quantification of Net GHG Removals and CRTs

Section 6. Ensuring Permanence of Credited GHG Removals

Section 7. Project Documentation, Monitoring and Verification

Section 8. Project Verification

Section 2. Stages of Project Development and Maintenance

2.2.1 Project Area

- ✓ Minor changes referring to the corresponding landowner structures and communal lands in Guatemala.

Table 2.1 Activity Areas

- ✓ Minor change related to the country's government bodies that authorize Forest Management Plans (FMPs) and designate urban areas.

Section 3. Eligibility Criteria and Participation Requirements

3.2.1, 3.2.2. 3.2.3 Communal, Public & Private property

3.6 Required Documentation for Land Tenure Status

- ✓ Understanding of communal land as per the definition of communal land of the Cadastral Information Registry Law. Decree n 41-2005.
- ✓ Legislation & common practice were reviewed to determine legal ownership and available registered documentation.
- ✓ Land tenure documentation was adapted considering the different government agencies that manage/certify land ownership and land use and issue legal titles.
- ✓ Specifics regarding Communal properties: Community structure, Authorities elected, Assembly Acts, Communities Participation & Decision making.

Section 3. Eligibility Criteria and Participation Requirements

3.7 Conflicts

- ✓ the documentation demonstrating the non-existence of land tenure conflicts on the Activity Area was updated in accordance with the national entities designated for that purpose.

3.9 Social safeguards, Table 3.1 & Table 3.2

- ✓ SSs for all types of properties – (*New SSs for public and private lands*).
- ✓ SS5 – Safety & Security.

3.10 Environmental safeguards, Table 3.3

- ✓ ES7 Site preparation by deep ripping is prohibited.

Section 3. Eligibility Criteria and Participation Requirements

3.13.2.1 Standard test for IFM AAs

- ✓ Minor change related to the country's entities authorizing FMPs or urban forest management.

3.13.2.2 Standard test for Reforestation AAs

- ✓ Less than 10% forest cover at the start date and the last **10 years**.

Section 3. Eligibility Criteria and Participation Requirements

3.13.2.3 Standard Test for Restoration AAs

- ✓ Deleted specific analysis for mangroves. There is no current data to develop the mangrove specific analysis as incorporated in the MFP V3.0 PST tool.
- ✓ Mangroves may be eligible by demonstrating compliance with the general PST for all Restoration or Reforestation activities.

3.14 Minimum Time Commitment

- ✓ Min 30 years to 100 years.

Section 5. Quantification of Net GHG Removals and CRTs

1. Quantification of carbon in standing live and dead wood in the Activity Area.
2. Determine Activity Area baseline for onsite carbon stocks.
3. Calculation of Activity Area Primary Effects.
4. Calculation of Activity Area Secondary Effects.
5. Calculation of total GHG removals.

Section 5. Quantifying Net GHG Removals and CRTs

Equation 5.1 Annual Net GHG Removals

- ✓ No changes to the MFP V3.0 (soil carbon for mangroves may be considered in a future update).

5.2 Determining the AA baseline

Under current assessment due to forest harvesting restrictions for IFM on Protected lands.

- ✓ The assessment of additionality and baselines for IFM is based on a common practice of harvesting up to 100% of annual growth (i.e. all growth is at risk of harvest).
- ✓ The particularities of the restriction of harvesting in protected areas (coniferous, mixed or broadleaved forests) implies that the IFM activity was left under evaluation. Protected lands may be eligible under other project activities i.e.: restoration, reforestation.

Section 6. Ensuring the Permanence of Credited GHG Removals

6.1 PIA and Communal Permanence Commitment

- ✓ Minor changes for communal lands and national corresponding entities registering the PIA.
- ✓ Min commitment of 30 years to 100 years.

Section 7. Project documentation, monitoring, and verification

Table 7.2. Monitoring Requirements and Schedule for Communal lands

- ✓ Updated as per SS5 & ES7.

New Table 7.3 Monitoring Requirements and Schedule for Public & Private Lands

- ✓ SSs for all types of properties – (*New SSs for public and private lands*).

7.3 Monitoring Objectives and Results for Non-Compliance

- ✓ Documentation requirements were updated per changes in prior sections.

Section 8. Project Verification

- ✓ Minor changes related to corresponding Gov. Agencies to verify project issues.

8.3.4 Project SS and Tables 8.3 & 8.4

- ✓ Verification requirements were updated as per changes in prior sections related to Social Safeguards and Environmental Safeguards.



NEXT STEPS

Next Steps

- ***For interested parties:***
 - Send comments (in English or Spanish) by November 14th, 2023:
mdelgado@climateactionreserve.org and cjurado@climateactionreserve.org .
- ***For the Reserve:***
 - Review and respond to comments.
 - Finalize the Protocol based on comments.
 - Publish the Protocol to be presented to the board.
 - Present Protocol final version to the Board for Adoption (January 24, 2024).



QUESTIONS OR COMMENTS?

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