



## Guatemala Emissions Reduction Program (P167132)

LATIN AMERICA AND CARIBBEAN | Guatemala | Environment, Natural Resources & the Blue Economy Global Practice | Recipient Executed Activities | Investment Project Financing | FY 2022 | Seq No: 4 | ARCHIVED on 22-Aug-2023 | ISR56286 |

Implementing Agencies: INAB (National Forest Institute), Ministry of Public Finance, Republic of Guatemala

### Key Dates

#### Key Project Dates

Bank Approval Date: 31-Aug-2021

Effectiveness Date: 28-Feb-2023

Planned Mid Term Review Date: 30-Aug-2024

Actual Mid-Term Review Date:

Original Closing Date: 31-Dec-2025

Revised Closing Date: 31-Dec-2025

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To make payments to the Program Entity for measured, reported and verified Emission Reductions (ER) from reduced deforestation and forest degradation, as well as the enhancement of forest carbon stocks (REDD+) in targeted areas of Guatemala, and to ensure that paid amounts are distributed according to an agreed Benefit Sharing Plan (BSP).

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components Table

Name

Payment for Measured, Reported and Verified ERs:(Cost \$52.50 M)  
Distribution of ER Payments According to the Benefit Sharing Plan

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

### Implementation Status and Key Decisions

The ER Program became effective on February 28, 2023. The Conditions of Effectiveness encompassed the final Benefit Sharing Plan (BSP), evidence of Guatemala's ability to transfer Title to ERs, the subsidiary Agreement between MINFIN and INAB, the assessment of ER Program consistency with Safeguards Plans, and an advanced draft Program Operational Manual (POM).

In June 2023, INAB finalized the Emission Reductions Monitoring Report (ERMR) for the first Reporting Period (January 1 to December 31, 2020). The Independent Validation and Verification of the report was launched in July 2023. The first payment is therefore expected around March 2024, contingent on the ERMR results and assuming the other pending requirements have been met. Among these, INAB is also finalizing Annexes 1-3 on Environment and Social management, BSP implementation, and generation of information on non-carbon benefits, as well as priority sections of the POM including Financial Management procedures for ERPA disbursements and payments. Finally, INAB has also started monitoring ERs for the second monitoring period of 2021-2022.



The World Bank’s task team will continue to provide close support to the Client through virtual meetings and missions to ensure it secures the first and second ERPA payments.

**Risks**

**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Moderate	☐ Moderate	☐ Substantial
Macroeconomic	☐ Moderate	☐ Moderate	☐ Moderate
Sector Strategies and Policies	☐ Moderate	☐ Moderate	☐ Moderate
Technical Design of Project or Program	☐ Substantial	☐ Substantial	☐ Substantial
Institutional Capacity for Implementation and Sustainability	☐ Substantial	☐ Substantial	☐ Substantial
Fiduciary	☐ Moderate	☐ Moderate	☐ Moderate
Environment and Social	☐ Substantial	☐ Substantial	☐ Substantial
Stakeholders	☐ Substantial	☐ Substantial	☐ Substantial
Other	☐ Substantial	☐ Substantial	☐ Substantial
Overall	☐ Substantial	☐ Substantial	☐ Substantial

**Results**

**PDO Indicators by Objectives / Outcomes**

PDO (To make payments to the Government of Guatemala for MRV ERs...)				
► Volume of CO2e Emissions Reductions that have been measured and reported by the Program Entity, verified by a Third Party, and transferred to the FCPF Carbon Fund (Metric ton, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10,500,000.00
Date	27-Nov-2020	31-Jan-2023	26-Jul-2023	31-Dec-2024
Comments:	The indicator measures the Volume (i.e. ERs) aspect of the transaction. It is conditioned on the existence and operation of a National Forest Monitoring system to measure and report the ERs generated by the ER Program. All ERs generated by the ER Program during each Reporting Period are subject to Verification by an Independent Reviewer contracted by the World Bank Group in consultation with the Program Entity. The transfer of ERs requires using a Registry capable of receiving, holding and transferring ERs to the Carbon Fund.			



► Amount of Payments made by the FCPF Carbon Fund for CO2e Emissions Reductions generated by the Program (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	52,500,000.00
Date	27-Nov-2020	31-Jan-2023	26-Jul-2023	31-Dec-2025
Comments:	The indicator measures the financial value aspect of the transaction based on the pricing approach agreed between the Program Entity and the Carbon Fund. It is conditioned on the establishment of adequate financial management arrangements for the transfer of the funds from the World Bank to the Program Entity.			
► Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	27-Nov-2020	31-Jan-2023	26-Jul-2023	31-Dec-2025
Comments:	The indicator seeks to capture the development aspects of the transaction. As per the General Conditions of the ERPA, ERPA payments have to be distributed based on a BSP that has been deemed acceptable to the World Bank Group. ER Monitoring Reports will have to provide evidence satisfactory to the World Bank Group that the Benefits have been shared in accordance with the BSP and the nesting approach.			

### Intermediate Results Indicators by Components

Not applicable (N/A)				
► N/A (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	29-Aug-2021	31-Jan-2023	31-Jan-2023	31-Dec-2025

### Performance-Based Conditions

#### Data on Financial Performance

#### Disbursements (by loan)

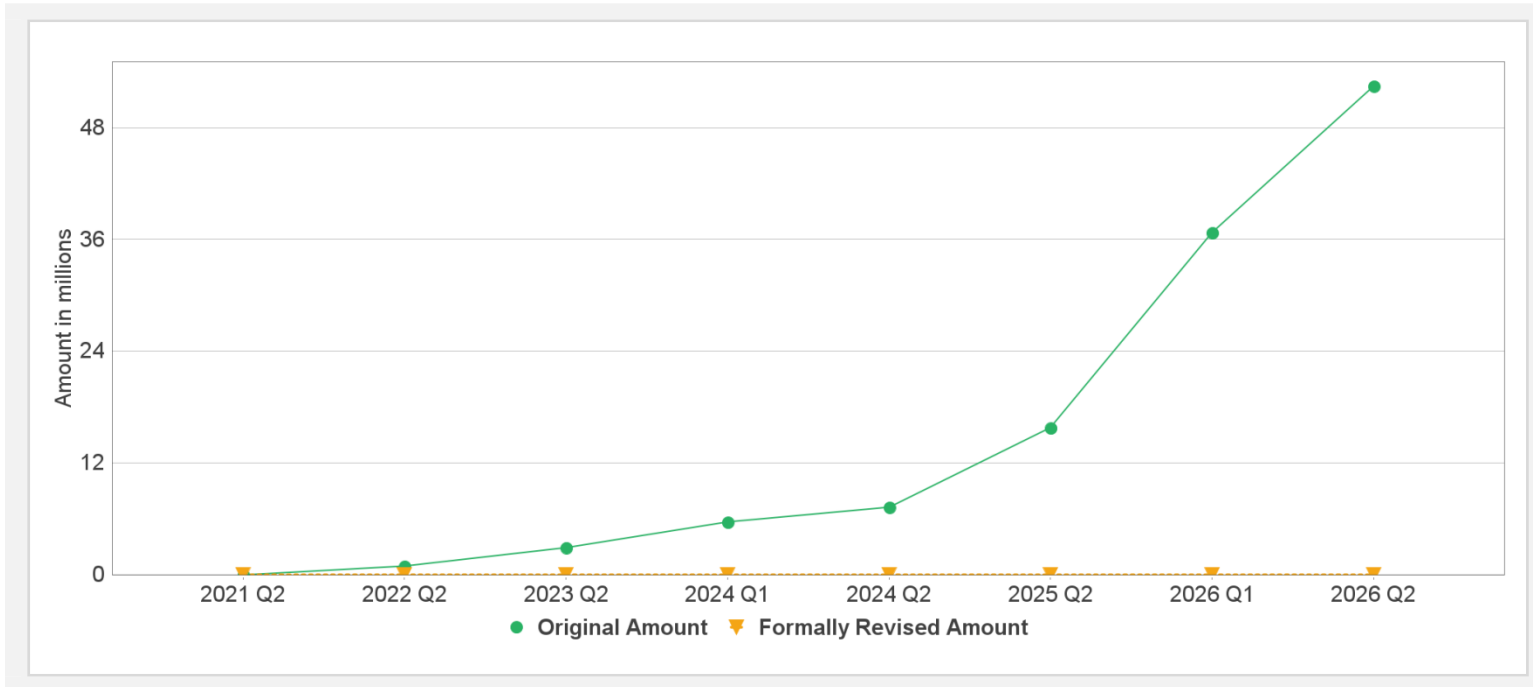
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P167132	TF-B5091	Effective	USD	2.82	2.82	0.00	0.00	2.82	0%
P167132	TF-B5092	Effective	USD	49.68	49.68	0.00	0.00	49.68	0%



**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P167132	TF-B5091	Effective	31-Aug-2021	13-Sep-2021	28-Feb-2023	31-Dec-2025	31-Dec-2025
P167132	TF-B5092	Effective	31-Aug-2021	13-Sep-2021	28-Feb-2023	31-Dec-2025	31-Dec-2025

**Cumulative Disbursements**



**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**

There are no related projects.