



**EN**

**THIS ACTION IS FUNDED BY THE EUROPEAN UNION (EU)**

**ANNEX**

to the Commission Implementing Decision on the financing of the annual action plan part II in favour of Guatemala for 2022

**Action Document for Fostering Green Transition in Petén**

**ANNUAL**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Fostering Green Transition in Petén OPSYS number: ACT-60635 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)/Overseas Association Decision/European Instrument for International Nuclear Safety Cooperation Regulation
<b>2. Team Europe Initiative</b>	Yes Green Deal Team Europe Initiative for Guatemala
<b>3. Zone benefiting from the action</b>	The action shall be carried out in Petén Department, Guatemala
<b>4. Programming document</b>	Multi-annual Indicative Programme for Guatemala 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	The proposed action will contribute to reaching specific objectives and expected results of the Multi-annual Indicative Programme for Guatemala 2021-2027 under priority area 1: FOSTERING GREEN TRANSITION
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	The proposed action intends to contribute to priority area 1) FOSTERING GREEN TRANSITION. In particular, to the Agriculture, Forestry, Fishing (DAC Code 310) and the General Environment Protection (DAC Code 410)
<b>7. Sustainable Development Goals (SDGs)</b>	Main Sustainable Development Goal (SDG, 1 only): 13 (Climate Action) Other significant SDGs (up to 9) and where appropriate, targets: SDG 2 “Zero Hunger”, SDG 5 “Gender Equality”, SDG 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, SDG 10 “Reduced inequalities”, SDG 12 “Responsible Consumption and production”, SDG 15 “Life on Land” and SDG 16 “Peace, Justice and Strong Institutions”
<b>8 a) DAC code(s)</b>	14021-14022 – Water supply and sanitation 14050 – Waste management/disposal 15185 – Local government administration

	31120 – Agriculture development 31163 – Livestock 31220 – Forestry development 33210 – Tourism policy and administrative management 41010 – Environmental policy and administrative management			
<b>8 b) Main Delivery Channel</b>	Third Country Government (Delegated co-operation) - 13000 Food and Agriculture Organisation (FAO) - 41301			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<b>YES</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<b>NO</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	<p>Budget line(s) (article, item): BGUE-B2021-14.020140-C1-INTPA EUR 40 000 000</p> <p>Total estimated cost: EUR 47 600 000</p> <p><b>Total amount of EU budget contribution: EUR 40 000 000</b></p> <p>This action is co-financed in joint co-financing by:</p> <ul style="list-style-type: none"> <li>- Germany, for an amount of EUR to be determined;</li> <li>- Spain, for an amount of EUR 1 600 000;</li> <li>- Food and Agriculture Organization of the United Nations (FAO), for an amount of EUR 1 000 000.</li> </ul> <p>This action is co-financed through parallel co-financing by:</p> <ul style="list-style-type: none"> <li>- Sweden, for an amount of EUR 5 000 000.</li> </ul> <p>The action will become an EU-MS flagship intervention as regards the “Green Deal Team Europe Initiative”. As mentioned above, both Spain and Germany will contribute to its implementation through joint co-financing, while Sweden will participate through parallel co-financing. In order to ensure coordination and maximize synergies, the MS will rely on the same implementing partners wherever possible, combining their financial support.</p>			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing</b>	<p><b>Direct management</b> through:</p> <ul style="list-style-type: none"> <li>- Grants</li> <li>- Procurement</li> </ul> <p><b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.3</p>			

## 1.2 Summary of the Action

Over the past 30 years, Guatemala's biggest department Petén lost 1.5 million hectares of primary forest coverage due to the excessive expansion of agriculture and livestock, a strong immigration from the neighbouring highlands and the mismanagement of its numerous national parks and protected areas. This dramatic ecological degradation is accelerating and causing further secondary damage to water resources, soil fertility and forest diversity. This is particularly worrying because the main forest mass of Central America and largest protected area in Guatemala, the Mayan Biosphere Reserve (RBM), with 2.1 million hectares of unique ecosystems and biodiversity, is in a fragile situation and threatened by irreversible damages. In addition, without an immediate and targeted intervention, Guatemala will not be able to fulfil its national determined contributions (NDCs) to reduce the greenhouse emissions as presented at the latest COP 2022 Conference.

The traditionally weak public administration is not prepared and has no operational capacity to stem further overexploitation of the natural resources. The execution rate of the existing budget provisions is low at all levels of the State (governorate, state ministries and municipalities), causing deficient public investment in all sectors. Regional and local public entities do not sufficiently know the quite advanced green policy framework of Guatemala and do not present concrete projects to the respective national funds, which count with substantial resources. Moreover, the lack of planning and monitoring capacity, a deficient regulatory framework, the absence of incentives for climate friendly innovation and insufficient coordination between public entities, municipalities and private sector present other serious bottlenecks for transforming the current socio-economic behaviour into a territorial approach for development which is based on the protection, conservation and respectful use of natural resources.

The intervention aims at the social and economic green transition of the Petén macro region of Guatemala and the generation of inclusive sustainable and green employment. This will be achieved by strengthening existing and developing new wood processing value chains based on sustainable forest management, support climate resilient agriculture and agro-forest systems and contrive a respectful tourism sector. Ensuring compliance of new EU rules (e.g. The European Green Deal<sup>1</sup>, EU Biodiversity Strategy for 2030<sup>2</sup>, deforestation-free production<sup>3</sup>) in global value chains will guarantee, in the framework of EU Global Gateway<sup>4</sup> and the EU-CA Association Agreement<sup>5</sup>, access to EU markets of products already being exported to the EU. Improving solid waste management and water and sanitation systems of the municipalities surrounding Lago Petén-Itza will provide green transition of basic services and improve social development. Simultaneously, the institutional capacities of all levels of public administration will be strengthened with regard to green and sustainability policies, instruments and services, including services regarding implementation and enforcement of land use and protected area boundaries.

The complexity of the described situation requires a comprehensive multi-sector and multi-level intervention, under a solid institutional framework led by competent local authorities. The action will focus on supporting a better articulation of the different levels of intervention (central, regional, local) and on supporting existing but dysfunctional institutional frameworks. Consequently, the proposed action will support simultaneously the solution of the main problems of five components:

- Component 1: Provide capacity development to local institutions.
- Component 2: Foster sustainable management of forest systems.
- Component 3: Assist climate resilient agriculture.
- Component 4: Encourage sustainable tourism.
- Component 5: Improve solid waste management and sewage systems.

<sup>1</sup> The European Green Deal, COM(2019) 640 (final) of 11/12/2019

<sup>2</sup> EU Biodiversity Strategy for 2030, COM(2020) 380 (final) of 20/05/2020

<sup>3</sup> EU regulation for deforestation-free supply chains of 28/06/2022

<sup>4</sup> The Global Gateway, JOIN(2021) 30 (final) of 01/12/2021

<sup>5</sup> Document 22012A1215(01) of 23/06/2022

The Overall Objective (Impact) of this action is to “*link the socio-economic development of Petén with environmental protection and the sustainable use of natural resources*”.

The Specific(s) Objective(s) (Outcomes) of this action are to:

1. Improve the policy framework and funding for inclusive green economic development in Petén.
2. Increase sustainable production and productivity of agriculture, livestock, forestry and tourism.
3. Improve services of solid waste and wastewater management at the municipalities of watershed Petén-Itza.

## 2 RATIONALE

### 2.1 Context

Guatemala is a country that is moving slowly on its democratic path. Its institutional development is precarious, the rule of law is not fully consolidated, the exercise of citizenship presents important challenges and citizen participation is scattered and circumstantial. The country has a multi-party political system with important weaknesses. As a result, many political parties are built upon personalised interests and therefore, have short life spans. Political actors have increasingly gained control and influence over the judicial organs and the Constitutional Court after the closure in 2019 of the International Commission against Impunity in Guatemala (CICIG). This has represented a negative impact in the separation and balances of powers, and further undermining the democratic checks and balances. With a divided and scattered political spectrum, it is difficult to construct political consensus for comprehensive, long-term development strategies in Guatemala. Most likely, a similar situation will remain for the 2024-2027 term, however, it is not expected that the new administration would modify the political context for the proposed action, specifically regarding the Peten department as a priority macro region for national development or the framework of related environmental policies.

Regarding Human Rights, the institutional framework has been weakened as the Government of Guatemala merged three key entities related to human rights into a new Presidential Commission for Peace and Human Rights (COPADEH). The overall deterioration of human rights in the country has led to a shrinking space for dialogue and to a scarce institutional response to fundamental demands related to economic, social, cultural and environmental rights by indigenous peoples, women, children and youth, and minorities. Rights of Lesbian, Gay, Bisexual, Transsexual/Transgender and Intersexual (LGBTI) are not recognised with even new legal initiatives detrimental to the cause. Indigenous groups constituting about half of the population are widely discriminated. This is reflected in social interaction, in work environments and indirectly by government decisions to focus the social investments, health initiatives, key services etc. in urban rather than rural areas, where the majority of the indigenous people live.

Although Guatemala faces still challenges related to the COVID-19 sanitary crisis, the country's macroeconomic fundamentals look promising. According to the latest International Monetary Fund's Article IV Staff Report (19 May 2021), resilient remittances and an unprecedented fiscal impulse of 2.3% of Gross Domestic Product (GDP) and monetary policy support have mitigated the negative impact of the pandemic, projecting a 4.5% rebound in economic growth for 2021. Inflation is under control ( $4 \pm 1\%$ ) and public debt is projected at 34% of GDP on average during 2021–26. Accordingly, the fiscal deficit is foreseen to come down and to gradually attain the historical mark of 2% by 2026. Moreover, the exchange rate of the national currency (Quetzal) against the United States Dollar (USD) has remained stable and tax revenues are expected to increase to 11.7% of GDP in 2022.

Low fiscal revenues continue to be a significant obstacle for Guatemala and hinders its ability to react to all types of shocks and natural hazards (World Risk Report 2020). For 2022, tax revenues are expected to increase to 11.7% of GDP, which is still very low considering Guatemala's deep social and economic inequalities.

Opposite to this good macroeconomic outlook, human development is of great concern. The recent PNUD Human Development Report (September 085, 2022)<sup>6</sup> scores an index value of only 0,627 for the country. The country scores poorly in indicators related to human rights, gender equality (Guatemala has lost one place in the HDI-related Gender

<sup>6</sup> <https://www.human-development-report-2021-22>

Index,) and has suffered an overall deterioration of the rule of law. Despite the fact that HDI improved between 2002 and 2018 for all 340 municipalities of the country, significant differences remain within Guatemala's territory.

According to FAO data, in the period 2019-2021, 20.7% of the total population of Guatemala is in a condition of severe food insecurity, compared to 16.1% during the period 2014-2016. According to the Sustainable Development Report<sup>7</sup> 2022, the prevalence of malnutrition in Guatemala (national level) is 16.8% (2019). As stated by the Secretariat for Food and Nutritional Security (SESAN), the number of children with acute malnutrition augmented from 79,1 (2020) to 92,1 (2021) per 10 000. The state's response continues to be weak. This is largely due to the institutional dispersion, an insufficient public budget and a poor monitoring system. The legislation regarding food security also requires harmonisation.

## 2.2 Problem Analysis

Short problem analysis: Over the past 30 years, Guatemala's biggest department Petén lost 1.5 million hectares of primary forest coverage due to the excessive expansion of agriculture and livestock, a strong immigration from the neighbouring highlands and the mismanagement of its numerous national parks and protected areas. This dramatic ecological degradation is accelerating and causing further secondary damage to water resources, soil fertility and forest diversity. This is particularly worrying because the main forest mass of Central America and largest protected area in Guatemala, the Mayan Biosphere Reserve (RBM), with 2.1 million hectares of unique ecosystems and biodiversity, is in a fragile situation and threatened by irreversible damages. In addition, without an immediate and targeted intervention, Guatemala will not be able to fulfil its national determined contributions (NDCs) to reduce the greenhouse emissions as presented at the latest COP 2022<sup>8</sup> conference.

The traditionally weak public administration is not prepared and has no operational capacity to stem further overexploitation of the natural resources. The execution rate of the existing budget provisions is low at all levels of the State (governorate, state ministries and municipalities), causing deficient public investment in all sectors. Regional and local public entities do not sufficiently know the quite advanced green policy framework of Guatemala and do not present concrete projects to the respective national funds, which count with substantial resources.

Moreover, the lack of planning and monitoring capacity, a deficient regulatory framework, the absence of incentives for climate friendly innovation and insufficient coordination between public entities, municipalities and private sector present other serious bottlenecks for transforming the current socio-economic behaviour into a territorial approach for development which is based on the protection, conservation and respectful use of natural resources.

The complexity of the described situation requires a comprehensive multi-sector and multi-level intervention, under a solid institutional framework led by competent local authorities. Consequently, the proposed action will support simultaneously the solution of the main problems of five components through territorialisation of environment related public policies, the reduction of greenhouse gas emissions and the mobilization of public resources for green investment in Petén.

### **Component 1: Provide capacity development to local institutions**

Due to its distant geographic location, small population and low level of economy, the department of Petén has historically been disconnected from the rest of the country, as well as from the political and socio-economic development processes. Only two decades ago, Guatemala embarked on the path of decentralization with the approval of a *trilogy of laws* (Law of Urban and Rural Development Councils, the new Municipal Code and the General Law of Decentralization), which prepares political and financial decision-making at departmental level. However, this process remains unfinished to this day and has acquired more the character of institutional de-concentration. The legitimacy and political will for the decentralization process remains questioned as elections for governor were never organised.

Although the Department of Petén counts with a Territorial Diagnosis and an Integral Development Plan until 2032, there is a notable absence of a territorial vision and lack of clarity of a proper concept of development. This is due to

---

<sup>7</sup> <https://dashboards.sdgindex.org/>

<sup>8</sup> MARN, 23/05/2022: <https://unfccc.int/sites/default/files/2022-06/NDC%20-%20Guatemala%202021.pdf>

the existence of two conflicting visions: that of the Departmental Council for Urban and Rural Development (CODEDE), in which dominates the sector policies of the central State institutions, and that of the Municipal Development Councils (COMUDE), where a perspective of service provision for small territories prevails. The lack of institutional and programmatic articulation between these public levels, in addition to the absence of information systems to support informed decision making, results in plans and programs that do not respond to both the real problems and the future challenges of the entire region and its population. At the operational level, the chronic shortage of civil servants in public institutions and the lack of skills and competencies of their officials and the low levels of budget execution stand out.

The representation of organized civil society, the private sector and indigenous peoples is assured in both CODEDE and COMUDES; however, there is considerable distrust towards the public administration, which limits their full participation and commitment for effective dialogue and lasting consensus.

### **Component 2: Foster sustainable management of forest systems**

Petén loses an average of 274 km<sup>2</sup> of rainforest annually, especially in its protected areas, mainly due to deforestation for pastureland associated with cattle ranching, expansion of the agricultural frontier, and forest fires. As a result, land use change and timber overexploitation contribute with 51.8% to Guatemala's Greenhouse gas emissions, and GHG increases by an annual average of 8.6%. The current effects and future impacts of climate change threaten not only agricultural-forestry productivity but also the habitability of the entire region for human beings.

The forestry sector has limitations that hinder sustainable forest management and, therefore, deforestation is not slowing down. These are insufficient access to innovation, technology and market knowledge, as well as lack of information on eco-systemic services, which forests could provide. In addition, there is little investment in the wood-value chain and added value of timber products. Importantly, non-timber products (xate, ramón, fat pepper, honey, gum, etc.) receive still little attention and do not count on sufficient mechanisms for their marketing and market linkage.

### **Component 3: Assist climate resilient agriculture**

Because of the expansion of the agricultural frontier, the sector contributes with 10.9% to Guatemala's greenhouse gas (GHG) emissions. Trends in temperature and precipitation variability related to the impacts of climate change indicate a reduction in agricultural productivity, which endangers the country's food system. In particular, corn and bean production, basic ingredients in the national diet, could experience declines of between 11.3% (corn) and 8.7% (beans) in yields.

It can be assumed that the agricultural sector in Petén will continue to grow, but there are many barriers for a sustainable growth in environmental and economic terms and the application of agro-ecological criteria<sup>9</sup>. These limitations consist in insufficient access to innovation, technology and climate information, weak technical and financial assistance, low investment in storage (silos, dryers, packers, and cold chain management) and insufficient support mechanisms for marketing and links to subnational, national and international markets. Although the national government has instruments and public entities in charge, there are shortcomings in terms of infrastructure, information, logistics and knowledge management. On the other hand, the municipalities have competencies within their territories, but their participation in sectoral plans is limited.

### **Component 4: Encourage sustainable tourism**

Tourism is the third most important economic sector in Petén and presents great potential for environmental protection, especially of the rainforests of the Mayan Biosphere. The current tourism strategy focuses primarily on the temples of the Mayan culture at Tikal and does not yet promote the numerous environmental attractions of the Maya Biosphere and of other places with great potential in Petén (Rio de la Pasión). These distant areas do not offer sufficient jobs and direct income for the local population, situation that drives people to advancing the agricultural

---

<sup>9</sup> <https://www.fao.org/agroecology/overview/overview10elements/en/>

frontier and illegal logging. The lack of initiatives for sustainable tourism, as an additional axis of economic development in remote rural areas, puts conservation and protection of the Mayan Biosphere forests in danger.

Air connectivity to Petén is insufficient, land access is lengthy and precarious and security conditions are poor. There is a lack of human resource capacities for tourism management and little exchange between national and local authorities with tour operators and investors to promote the application of the Global Sustainable Tourism Criteria. Another problem is the centralization of tourism sector decisions, which focusses on the traditional attractions of Guatemala, and the limited attention and opportunities given to so-called Self-Management Commissions for Tourism (CATs), which join private sector actors, local organizations and non-government organisations at local level. These initiatives are better prepared to design sustainable tourism models and develop local circuits that integrate and complement Petén's emblematic attractions such as Tikal, Isla de Flores and Yaxhá.

#### **Component 5: Improve solid waste management and sewage systems**

The central axis of the department of Petén is articulated around Lake Petén Itzá. It groups the main urban centres with a population of 153,473 inhabitants along the shores of the lake. The accelerated processes of land use change and population growth in recent years, together with the increasing effects of climate change and a growing demand for goods, products and services, have a negative impact not only on the entire watershed but also on the lake itself, which acts as the ultimate recipient of the many deterioration processes.

Management and development plans for the basin and its municipalities are not up to date, nor are there any models developed for the upcoming growth of population and socioeconomic activities, in or dependent of the watershed. There is not a single landfill with sanitary guarantees for urban solid waste, and all of the existing ones in the basin have management problems such as leaching control, washing-out and dragging of waste, including toxic and hazardous left-overs e.g. from hospitals. Basic sanitation coverage barely exceeds 20%, which means that 120 000 inhabitants discharge raw sewage into the lake, increasing its eutrophication and silting. The enormous pressures from primary activities in the south of the watershed result in a high level of diffuse pollution that flows into the lake; many creeks and gullies show high levels of organic contamination, anoxia problems and large amounts of dissolved solids and particles.

Petén's public institutions lack sufficient capacity, tools and resources to manage this problem. Continuous changes in technical personnel at all involved administrative levels, the country's centralization and decision making based on political rather than technical aspects have led to a significant deficit in the administration and management of basic public services.

#### **Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:**

Due to the features of a multi-sector and multi-level intervention, covering the entire geography of a macro region, the number of involved entities, organisations and partners is considerable and their capacities vary widely. However, the main stakeholders for this action can be organised in three levels according to their mandates:

**At policy level**, the Governorate of Petén has the mandate for designing regional development plans and fomenting the implementation of national sector policies at Department level. Main mechanism for fulfilling its constitutional mandate constitutes the Departmental Council for Urban and Rural Development (Consejo Departamental de Desarrollo Urbano y Rural, CODEDE), which brings together over 40 public entities, municipalities, civil society, private sector and academic institutions of Petén. It is at this level where the proposed action intends to trigger a transition towards a green development model for the Petén region based on environmentally friendly programmes in strategic sectors. As the President nominates the governors, they count with some influence at the central ministries of the State; however, the operational capacity of the governorate of Petén is limited. It is worthwhile mentioning that during past years the Governorate of Petén achieved the highest scores in budget execution of public investment throughout all Guatemala.



Already back in 1994, Guatemala established a specific *Viceministry for the Affairs of Petén* (VM) for promoting the economic development of the department. Due to the prevailing vision of the agricultural potential of Petén, and following waves of colonization, the VM Petén was situated under the Ministry of Agriculture. It maintains several offices in Petén and is staffed with more than 200 functionaries. The operational capacity and budget is therefore considerable but competencies for fostering a green transition of the sector, in particular designing alternative options for the escalating cattle breeding, or regarding mitigation / adaptation to climate change, are limited.

The 14 municipalities of Petén represent the local level of political participation in Guatemala. Mayors are elected for a four-year period and can be re-elected. The main role of the municipal committees are to approve and monitor the annual plans designed and implemented by the mayor's staff. These operational plans focus mainly the provision of educational, sanitary and health services within their territories. The Municipal Code provides also for some other responsibilities, e.g. in economic development. Most of Petén's municipalities have little institutional capacities and achieve very low scores in a recent related national survey.

Several municipalities of the department have agreed to form man-communities in order to resolve jointly those problems, which transcend their municipal territory and coordinate common activities. The currently existing two man-communities (Lago Petén-Itza; Poptun) constitute important interlocutors for the present action, in particular because environmental degradation and climate change issues can better be resolved in wider territories and with joint capacities.

Although civil society organisations have not established a formal network in Petén, their role in terms of policy development and consensus building is important. In particular, the forest and agricultural sectors count on several well equipped, experienced and motivated Non-Government Organisations and colonizers and indigenous groups are well organised in civil organisations.

**On technical level**, the principal interlocutor for both regional and sectorial programmes in Guatemala represents the Secretariat of Planning and Programming of the Presidency. SEGEPLAN is responsible for the coherence in the design and implementation of national sector policies and the approval of local development and investment plans of the municipalities. Furthermore, it is the official coordinator for international cooperation. For fulfilling its functions at the department councils, SEGEPLAN establishes technical units (Unidad Técnica Departamental, UTD) for preparing the monthly sessions, following up on operations and budgets, and coordinating programmes between central, regional and local levels of the public administration.

This UTD constitutes the main interlocutor for the entire action and is the institutional counterpart for implementing the proposed activities under component 1. Its operational capacities and professional competencies are limited, counting with only a few professionals distributed in three local offices for assisting both municipalities and line ministries in planning exercises and implementation of sector or municipal policies.

According to the specific purpose of the five components selected for this action, different line ministries and public entities are involved in designing and implementing the proposed activities:

- |                                      |   |
|--------------------------------------|---|
| Component 1 (Capacity Development):  | National Institute of Public Administration (INAP).   |
| Component 2 (Forest Management):     | Ministry of Environment and Natural Resources (MARN);<br>National Council of Protected Areas (CONAP);<br>National Forest Institute (INAB).          |
| Component 3 (Resilient Agriculture): | Ministry of Agriculture and Livestock (MAGA);<br>Food and Agricultural Organisation (FAO);<br>Secretariat of Food and Nutritional Security (SESAN). |
| Component 4 (Sustainable Tourism):   | Guatemalan Tourism Institute (INGUAT);<br>Local Tourism Councils (CAT).   |
| Component 5 (Solid Waste / Sewage):  | Ministry of Health;<br>Autoridad para el Manejo de la Cuenca del Lago Petén Itzá (AMPI).  |

A comprehensive regional programme as the present proposal needs to establish, over time, a **support and coordination level** for facilitating smooth implementation of the various activities. This network will include private sector entities, social organisations and indigenous groups.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to link the socio-economic development of Petén with environmental protection and the sustainable use of natural resources.

The Specific(s) Objective(s) (Outcomes) of this action are to:

1. *Improve the policy framework and funding for inclusive green economic development in Petén.*
2. *Increase sustainable production and productivity of agriculture, livestock, forestry and tourism.*
3. *Improve services in waste and wastewater management of the municipalities of watershed Petén-Itza.*

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1 Improved capacities of Petén's public entities and stakeholders on inclusive green development issues.
- 1.2 Improved capacities of Petén's public entities and economic actors to develop bankable green projects.
- 2.1 Improved capacities of farmers for sustainable agricultural practices and resilient food production.
- 2.2 Improved access to nutritious food, food diversification and food safety.
- 2.3 Protection and sustainability of forests are enhanced.
- 2.4 Strengthened efforts to protect and safeguard the Petén's cultural and natural heritage.
- 3.1 Improved capacities and facilities for urban waste management in the selected municipalities of Petén.
- 3.2 Improved capacities and facilities for the provision of wastewater removal services in the selected municipalities of Petén.

#### 3.2 Indicative Activities

Activities relating to Output 1.1

- Agree and promote with authorities and key stakeholders an inclusive process of reflection on the negative effects of current land use and the identification of favourable factors for its sustainable use.
- Strengthen the institutional capacities of public entities connected to Guatemala's NDC Plan through seminars and workshops supported by the Guatemalan Climate Change Science System (SGCC).
- Strengthen the professional competencies of local officials through training programs with a modular approach, directed to those public entities committed to the green transition process, focussing on public finance management, budget planning and execution, youth and gender responsiveness, transparency and accountability, etc.
- Develop a digitalization plan for the introduction of Information and Communication Technologies (ICT) throughout Petén's public administration, in particular municipalities, with the aim of information sharing with the public and offer of public services through digital solutions.
- Improve the institutional capacities of public entities for monitoring, patrolling and law enforcement in forests and protected areas, digital methods for traceability of forest products and the establishment of complaint platforms and cooperation mechanisms with civil society.
- Improve human and material capacities of CONAP and INAB for monitoring, prevention and control of forest fires, as well as affected areas, for patrolling and law enforcement, digital methods for product traceability, reporting platforms and cooperation mechanisms with civil society.

Activities relating to Output 1.2

- Generate, facilitate and strengthen direct dialogue between national investment funds and municipalities to identify options for leveraging funds for improving the provision of basic services.

- Assist authorities and key stakeholders in the preparation of projects and the management of applications for national and international financing agencies, aimed at productive development with a focus on ecological transition.
- Strengthen the capacities of economic actors to request financial resources (public and bank) for the ecological transition of their productive enterprises.

#### Activities relating to Output 2.1:

- Implement three centres for agro-ecological innovation for the transfer of climate change adaptation and mitigation technologies.
- Implement at least four sustainable livestock practices that make productive systems climate resilient and low in emissions.
- Support municipal forest management units in adopting best practices, developing forest plans, and achieving certification for forest products and eco-systemic services.
- Develop and implement a plan for technical assistance and subsidies/incentives for producers who adopt better forest management practices, improve production of timber and non-timber products, and participate in established value chains.
- Promote associative schemes for supply and verification of ecosystem services.
- Implement programs to strengthen productive capacities and business management, to link production to differentiated and value-added markets, and facilitate access to financing for these economic actors.

#### Activities relating to Output 2.2:

- Promote associative schemes (cooperatives, corporations, producer organizations, guilds, MYPIMES) throughout the agricultural sector for ecological transition of their production, including transformation of raw materials and links to markets.
- Implement at least four models for climate change adaptation in corn/bean farming systems that make productive systems climate resilient and low in emissions.
- Coordinate with existing programmes for food security in the Petén region for identifying vulnerable communities and facilitate the expansion of interventions to those groups.

#### Activities related to Output 2.3:

- Increase of forest coverage under sustainable forest management and registered incentive programmes, forest fire prevention and control measures.
- Strengthen business and marketing capacities for forest products (timber and non-timber) and ecosystem services through financial resources mobilised to create an enabling environment in Petén's green transition.
- Strengthen the productive-commercial capacities of the private sector for timber products and ecosystem services, with a focus on business management, and improvement in obtaining financing to strengthen equity, purchase of materials/machinery, including direct inputs at the associative level or for state-of-the-art technology of a model character.
- Provide advisory services and support material to value chain actors for the production and processing of timber and non-timber products.
- Provide direct inputs for forest management units in the form and amount allowed, such as investment in equipment, facilities and systems for production and enterprise management.

#### Activities relating to Output 2.4:

- Enhancement and establishment of tourism facilities to develop products and services of quality experience for visitors for environmental education and nature tourism, contributing to inclusive and green economic development.
- Elaboration of business plans for different tourists services (travel agencies, tourist operators, transport by land and water, accommodations, etc.), and preparation of marketing strategies related to natural and cultural sites, merchandising, digital promotion.

#### Activities relating to Output 3.1

- Build and equip a sanitary landfill for the municipalities of San José and San Andres.

- Support and equip the corresponding authorities in the collection, transportation, processing and management of solid waste in the municipalities of the Lake Petén-Itza watershed.

#### Activities relating to Output 3.2

- Support the elaboration of Petén Itza watershed management plan.
- Expand the sanitary sewerage network in Santa Elena (Flores) and San Benito.
- Construct sanitary sewerage networks for San Andres, San José, El Remate (Flores) and San Pedro (San José).
- Build four wastewater treatment plants in San Benito/ Flores, San Andres/ San José, El Remate (Flores) and San Pedro (San José).
- Reallocation of public areas for laundry and complementary installations to facilitate the safety of the women.

### 3.3 Mainstreaming

#### Environmental Protection & Climate Change

The proposed action will incorporate climate change aspects –resilience, mitigation and adaptation- and contribute to awareness raising on the importance of preserving the environment and rights to natural resources in line with the social and economic green transition of Petén. Strengthening existing and developing new food processing value chain based on sustainable forest management, supporting climate resilient agriculture and agro-forest systems and contrive a respectful tourism sector constitutes specific objective 2 of this action. Furthermore, improving solid waste management and water and sanitation system throughout the department of Petén will increase environmental protection of basic services.

Similarly, in the area of work dedicated to infrastructure, Environmental and Social Management Framework Plan (ESMP) can be used to ensure the implementation of the social and environmental safeguards, in full compliance with the national and local legislative framework, namely laws, regulations, and standards governing environmental management, social protection, and preservation of cultural heritage applied by the Government of Guatemala. In addition, specific attention will be given to the sectors of this Action that constitutes a key element of the Guatemala Nationally Determined Contributions (NDC) Plan<sup>10</sup>.

#### *Outcomes of the EIA (Environmental Impact Assessment) screening*

The EIA screening classified the action as Category C (no need for further assessment). However, an EIA will be undertaken based on the type of investments/interventions to be carried out, mainly if proceeded in the framework of the water and sanitation and waste management component.

#### *Outcome of the CRA (Climate Risk Assessment) screening*

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). However, a CRA will be undertaken based on the type of investments/interventions to be carried out, mainly if proceeded in the framework of the water and sanitation and waste management component.

#### **Gender equality and empowerment of women and girls**

As per the Organisation for Economic Co-operation and Development (OECD) Gender Development Assistance Codes (DAC) identified in section 1.1, this action is labelled as G1. Natural resources management has profound implications for social justice and gender equality, as women are often impacted disproportionately by the effects of vulnerabilities in areas such as agriculture, biodiversity, forest, etc. Furthermore, they are prevented from participating equally in related governance processes for multiple reasons, including harmful gender norms, inadequate legal frameworks, low access to education and land ownership.

Nevertheless, women are powerful agents of change in shifting paradigms around the management of natural resources. Therefore, this action will conduct gender analysis to ensure mainstreaming across components and ensure

<sup>10</sup> <https://unfccc.int/sites/default/files/2022-06/NDC - Guatemala 2021.pdf>

- Promoting girls' and women's participation and leadership in order to ensure gender-responsive strategies to sustainable management of natural resources.
- Supporting women networks across the Action components.
- Supporting women's entrepreneurship in activities under the different components. Disaggregate data and indicators by sex, when applicable.

**Human Rights (EU Action Plan on Human Rights and Democracy 2020-2024: 1.1 Protecting people, eliminating inequalities, discrimination and exclusion; 1.2 Empowering people; 1.4 Reinforcing economic, social, cultural and labour rights; 3.5 Business sector)**

In line with the Human Rights Based Approach<sup>11</sup>, all stakeholders are to be empowered and participate in decision making, especially the most marginalised (including particularly vulnerable women and households, indigenous communities, environmental human rights defenders, children and youth in accordance with the Leave No One Behind (LNOB) principle, and to apply good governance principles. The proposed action applies a rights-based approach: applying participatory processes ensuring that the social and economic rights of the targeted rights holders are considered to enhance resilience, wellbeing and meeting their unique local needs. This should lead to good land governance, which contributes to the achievement of multiple human rights, in line with the 2018 Universal Periodical Review: E1 Economic, social & cultural rights - general measures of implementation (recommendation 111.79), E21 Right to an adequate standard of living – general (recommendations 111.80, 111.83 and 111.88), E22 Right to food (recommendations 111.85, 111.86, 111.87 and 111.89), F12 Discrimination against women (recommendation 111.100), G3 Indigenous peoples (recommendation 111.21).

The action will contribute to support the Guatemalan State (duty bearers) in order to fulfil its commitments stated in international treaties: Convention on the Elimination of All Forms of Discrimination against Women-CEDAW (articles 11, 14 and 15), International Covenant on Economic, Social and Cultural Rights (articles 3 and 11), Convention on the Rights of the Child (article 24), Additional Protocol to the American Convention of Human Rights in the Area of Economic, Social and Cultural Rights (articles 11, 14 and 19) among others.

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0, however as the needs and rights of disabled persons are to be safeguarded under the tourism component of this action. This will be achieved by ensuring their representation in all community participation aspects, and enhancing their understanding and attainment of their rights in accordance with national and international benchmarks.

### **Democracy**

All the activities designed in this proposed action will be implemented in close collaboration with the representatives of the institutions of the Executive Branch and the municipalities. The latter are the main local counterparts involved in forests, agriculture, sanitation and solid waste, and tourism, leading the plan-making processes, and acting as the principle decision-making body that will validate and adopt the main deliverables. Furthermore, the Action will support the strengthening of the Departmental Council of Development (CODEDE), where all the ministries leading with the above mentioned sectors are represented, including also Civil Society Organisations (CSO), academia and private sector institutions.

Both the solid waste management and water / sanitation systems and tourism components focused interventions will support direct participation of civil society in urban planning and management. Moreover, the proposed action will be implemented via participatory planning mechanisms and needs assessments, involving the local community and their representatives, thereby contributing to enhancing the inclusion and accountability processes within the community.

### **Conflict sensitivity, peace and resilience**

The EU carried out a Risk Management Framework Plus (RMF+) during 2022 which observed dimensions of fragility for the Petén region, related to security issues linked to narco-trafficking, organised crime, social conflictivity related to land issues, exploitation of natural resources such as extensive cattle ranching, palm oil plantations and also hydroelectric power plant and mining. It was recommended that Guatemala “*needs to re-orient its development policy towards a more inclusive and sustainable economic growth model (economic dimension), reduce social inequalities*

<sup>11</sup> [https://international-partnerships.ec.europa.eu/system/files/2021-07/swd-2021-human-right-based-approach\\_en.pdf](https://international-partnerships.ec.europa.eu/system/files/2021-07/swd-2021-human-right-based-approach_en.pdf)

(social dimension) and protect its environment (environment dimension) while building resilience to manage natural disaster and climate related shocks”. This action responds to this recommendation engaging furthermore local and regional authorities, civil society and private sector.

The deteriorating climate change context and heightened disaster related risks linked to substantial environment degradation (availability of water, soil erosion, and loss of biodiversity to name a few) as well as the constraints to prepare and respond to systemic violations of land and environmental rights, also constitute a dominant grievance among the Guatemala inhabitants. The proposed action therefore by design, must respond to political and conflict dynamics at hand, driven by the political and development objectives of the EU in Guatemala.

## Disaster Risk Reduction

The proposed action is coherent with and complements wider EU programming in Guatemala designed to specifically address environmental degradation and climate change responses. As outlined above, water shortages, environmental degradation, draught and desertification, along with landslides, and land and natural resources’ depletion are considered to be the most significant anthropogenic disasters currently affecting the Guatemala people. Through the proposed action, information on land use changes is collected on the ground through monitoring systems that allow to identify man-made and natural disasters and to design mitigation and adaptation measures, which is critical for informing local and national authorities and adapting policies, regulations and actions related to disaster risk reduction.

## Other considerations if relevant

In the framework of the SDG 2 and in line with the EU commitment at the Tokyo Nutrition for Growth (N4G), **Nutrition** as a fundamentally multi-sectoral issues. Agro-ecological approaches recognize that food systems are coupled with socio-economic systems from production to consumption and involve science, practice and a social movement, as well as their holistic integration, to address food and nutrition security objectives. Through investment in services and infrastructure and social behaviour change through communication strategies under the component water, sanitation and solid waste, resilience to food insecurity of local communities will be strengthened. Last but not least, component climate resilient agriculture also provides for the strengthening of the strategic management capacity of local government authorities and key actors to support the implementation of the National Food and Nutritional Security Policy.

Through closer engagement with national and local authorities, the action will explore concrete opportunities for domestic revenue mobilisation (DRM) and also to be coupled with enhanced analysis looking forward blending operations with Development Banks.

## 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Institutional Risk <sup>12</sup>	Weak institutional capacities and lack of coordination at all levels of the public administration, in particular related to timely decision-making, adoption of financing	Medium	High	<ul style="list-style-type: none"> <li>Establishing steering committees in close collaboration with the competent authorities and partners and maintaining engagement through direct consultations and regular updates.</li> </ul>

<sup>12</sup> Category 2 Risk - Planning, Process and Systems

	modalities, lack of transparency in public procurement and the permanency of public functionaries.			<ul style="list-style-type: none"> <li>Promoting the meaningful participation of local representatives and leadership.</li> <li>Building-up of capacities of government authorities and implementing partners to carry out programme implementation, data gathering and document developments on the ground.</li> <li>Enhance self-funding capacity of municipalities (tax collection, fines and penalties).</li> <li>Improve salaries and secondary job conditions for public administration.</li> </ul>
Political Instability <sup>13</sup>	Increased intensity of conflicts, sustained periods of increased insecurity in Petén resulting in direct threat to the programme implementation.	Medium	High	<ul style="list-style-type: none"> <li>Structured and regular meetings and coordination with other donors and UN agencies to properly assess crisis situations (OCHA, ACNUR, US, and others).</li> <li>Incorporating of related arrangements for implementing partners.</li> <li>Strong data gathering and documentation of conflicts and security incidents.</li> </ul>
Economic/Social/Cultural <sup>14</sup>	Dissatisfaction of citizens, local governments or ministries with the impact of the proposed activities, notably of those not targeted by the Programme.	Low	Medium	<ul style="list-style-type: none"> <li>Consultations held at the inception with different stakeholders in order to manage expectations.</li> <li>Meetings with development partners working on similar projects and identification of synergies.</li> <li>Giving special attention to the effects of gender-sensitive activities specific to context of this project applying participatory approaches.</li> </ul>
Programme & Operational Risk <sup>15</sup>	The implementation of this action does not take advantage of the TEI as mode of implementation.	Low	Medium	<ul style="list-style-type: none"> <li>Structured and regular meetings and coordination with MS and European CSOs.</li> <li>Joint monitoring system in place to follow up the whole programme.</li> </ul>

#### Assumption:

The new authorities (governor and mayors will be elected in July 2023 and starting their mandate in January 2024) share the vision that the EU initiative for a green transition of Petén will be instrumental for the construction of an inclusive and sustainable development and overcome the identified bottlenecks.

Guatemalan stakeholders at local, regional and central governance level must demonstrate both political vision and technical capacity to deliver on commitments in line with the SDGs, and continue to be engaged and committed with their own development processes.

The EU and International Community remain committed to support the Green Transition of Petén at political and operational level and ready to take the necessary political and financial risks.

<sup>13</sup> Category 1 Risk – External Environment

<sup>14</sup> Category 2 Risk - External Environment, & Category 3 Risk – People & the Organisation

<sup>15</sup> Category 1 and 2 Risk

## Lessons learnt

Past and ongoing programmes and projects focused on local development at municipality or Associations of municipalities' level have demonstrated that objectives and expected results are only achieved if activities are screened in terms of responsiveness to needs and expectations of the local population, the legal capacity of the different actors and their local mandate and leadership. The logic behind is to achieve higher participation and better appropriation of proposed changes by local partners.

Due diligence needs to be given to the participation of Civil Society Organisations and aspects of social development related to gender inclusion and equality, indigenous people and vulnerable groups. Because of the historically weak presence of the State in Petén, CSOs are strong. In addition, the percentage of indigenous people in the population is high and their exclusion from overall development is well documented. For these reasons, particular consideration of these groups and organisation allows better understanding of the local context and increase appropriation and support to the proposed activities.

Furthermore, in order to join public partners, relevant local actors as well as private partners for making green transition of Petén a reality, institutional capacity building will be key at all levels. Ongoing programmes involving different public administration structures, both at central and local level, have demonstrated that such capacity building must be implemented in a non-isolated manner, bringing together representatives from different public bodies. While the latter has been shown to be feasible and allows effective inter-institutional work at municipal level, it requires the formation of formal working groups both at the decision-making and technical level.

Working in parallel on different components which, on their own, would have a positive but only limited impact and which, in combination, will trigger the necessary synergies, and achieve the desired outcomes and impacts of the action in the most efficient manner. Adding to this, the institutional set-up involves closely the agencies of the MS, which accumulated already valuable experience in specific components of this action and at the Petén department. Amplifying and expanding their programmes will allow quick-wins in crucial sectors and make the Team European Initiative more visible.

Finally, by successfully demonstrating, in a clearly outlined territory, that economic use of natural resources can be compatible with protection of environment and biodiversity and the mitigation and adaptation to climate change, a transformative impact will be achieved.

Many regional and thematic EU programmes, also in cooperation with Member States and other international partners, provide valuable experience for both, design and implementation of new actions. The proposed action will actively approach these initiatives and connect Petén's public entities, municipalities, CSOs and other implementing partners to the respective platforms and centres. In the specific context, the following programmes are of particular interest:

- COPERNICUS, which can provide Earth Observation data combined with satellite positioning (Galileo) to provide added-value products and tailored information for the Petén region useful for all five components and for which local capacity building is envisaged. In this regard, the action will capitalise on the regional Copernicus data centre in Panama, and the EU Space Programme, which encompasses Copernicus, Galileo and EGNOS services. The aim being, not only that these instruments become main tools for the monitoring and follow-up of the planned activities, but also that they become the reference tool for the concerned stakeholders in their decision-making processes and follow-up of the execution of their policies and strategies.
- The Five Great Forests of Mesoamerica initiative is committed to strengthening the role of forests in providing ecosystem services, safeguarding biodiversity and sustaining prosperous livelihoods over time and in line with local cultural values, and includes the Mayan Biosphere in Petén. As part of the European Green Deal, the EU seeks to support its partners to safeguard their natural ecosystems, to tackle climate change and to halt biodiversity<sup>16</sup> loss.

---

<sup>16</sup> EU Biodiversity Strategy for 2030, COM(2020) 380 (final) of 20/05/2020



### 3.5 The Intervention Logic

The underlying intervention logic for this action is that the local population of Petén will recognise that conservation and sustainable exploitation of the still abundant natural resources constitutes its highest value once such values are converted into direct economic benefit of their families and communities. Consequently, the willingness of the people and the local administration will increase towards a social and economic behaviour respectful with the environment.

By applying the Territorial Approach for Local Development (TALD), the institutional and socio-economic frameworks of the Petén region will be enabled to ensure coherence between and sustainability of environmental and economic policies. The logic behind is to achieve higher participation and better appropriation of proposed green transformation by local partners.

By promoting Green business development, with a focus on the adoption of sustainable consumption and production practices, and providing access to Green finance and investments, capacities and practices of both businesses and finance institutions will be improved to finance the Green economy transition.

By delivering good livestock management as part of sustainable farming and by protecting the boundaries and biodiversity of the forests, farming and forestry will be complementary safeguards for the remaining forest and regenerate what has been lost. In this regard, the action has a clear vision of zero deforestation and livestock reconciliation.

There is ample analytical and programmatic evidence to illustrate that without a targeted social and economic green transition and without support to sustainable and green employment for Petén's population and governance actors, the risk of entrenching of social, economic, security and environmental problems is substantial and acute. The logic of this action is to enable green transition in different sectors through decoupling the socio-economic development of Petén from environmental degradation.

To achieve this, and following an integrated and territorial intervention logic, the proposed action opts to intervene in two ways. On the one hand, working jointly and in a coordinated manner in the three main economic sectors of the region (forestry, agriculture and tourism), promoting the necessary balance between economic development and environmental protection, a green transition will be achieved. Concretely, by strengthening existing and developing new wood processing value chains and non-timber products based on sustainable forest management, support climate agro-ecological agriculture for climate resilience and agro-forest systems and contrive a respectful tourism sector.

On the other hand, the lack of access to public services, especially **water and sanitation and solid waste management**, coupled with increasing internal migration, is having a growing impact on ecosystems and environmental degradation. Therefore, investment in water, sanitation and solid waste infrastructure that are made based on improved watershed management plans around most populated municipality of Flores and the surrounding municipalities of Lago Petén-Itza, will provide basic assurances to communities that they too can profit from sustainable development and economic opportunities in the medium term. This also calls for a component aiming at strengthening the municipalities and public entities, which are responsible for the management of these services.

The action also sees local governance actors in Petén lead such processes, to foster a culture of good governance, mutual accountability, institutional strengthening and territorial integrity – notably towards the rest of the country. Thus, the action will also provide capacity building to the Petén Authorities' governmental and no governmental bodies, namely Development Council of Petén (CODEDE) and the 14 municipalities. It will strengthen their abilities to mobilise national revenues for increasing public investment and to conduct plans and activities for complying with Guatemala's green policies, hence to deliver on their commitments to serve the Petén population.

However, for the proposed action to bear fruit, number assumptions must hold true. The EU and International Community must continue to show political leadership to remain programmatically and politically engaged with the Green Deal<sup>17</sup> and ready to take the necessary political and financial risks. Similarly, Guatemalan stakeholders at local, regional and central governance level must demonstrate technical capacity as well as both political vision to

---

<sup>17</sup> The European Green Deal, COM(2019) 640 (final) of 11/12/2019

deliver on commitments in line with the SDGs, and continue to be engaged and committed with their own development processes.

The below log frame captures this intervention logic at Impact, Outcome and Output level.

### 3.6 Logical Framework Matrix

Results	Main expected results (maximum 10)	Indicators	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	<i>Socio-economic development of Petén is linked with environmental protection and the sustainable use of natural resources.</i>	<ul style="list-style-type: none"> <li>• <i>Forest coverage (has).</i></li> <li>• <i>CO<sub>2</sub>-eq reduced or avoided.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 19 863 km<sup>2</sup> of Petén with forest coverage (2022).</li> <li>• 63.55 Metric Tons of CO<sub>2</sub>-eq (2018)<sup>18</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase of 20 000 <i>has</i> in 2027<sup>19</sup>.</li> <li>• Reduction of 1.6 million TM CO<sub>2</sub>-eq in 2027<sup>20</sup>.</li> </ul>	CONAP, MAGA, INAB (Pinpep/ Pro-Bosque)  UNDP, MARN	<i>Not applicable</i>
Outcome 1	<i>The policy framework and funding for inclusive green economic development in Petén is improved.</i>	<p>1.1 <i>Status of Inclusive Green Economy (IGE) policy and instruments</i><sup>21</sup>.</p> <p>1.2 <i>Amount of public and private investment for ecological transformation by the forest and agricultural sectors of Petén.</i></p>	<p>1.1 Zero IGE instrument adopted in 2022.</p> <p>1.2 To be determined (TBD) at project start in 2024 (as well as targets).</p>	<p>1.1.1 Three IGE instruments adopted for Petén in 2027.</p> <p>1.1.2 Two policy instruments (existing in 2022) updated and adapted to Petén context in 2025.</p> <p>1.2.1 TBD at project start in 2024.</p>	<p>1.1.1 and 1.1.2 Instruments published on governorate Petén and MARN websites.</p> <p>1.2.1 Budgets registered in public entities (municipalities, governorate, ministries, and national funds).</p> <p>1.2.1. Credit portfolio of private banks and dedicated financing agencies and national funds.</p>	<p>State institutions and private entities incorporate new knowledge materials into their internal training and resource databases.</p> <p>The trained people stay at their posts.</p>

<sup>18</sup> Fuente: MARN, Contribución Nacionalmente Determinada Actualizada 2021.

<sup>19</sup> Fuente: INAB, Memoria de Labores 2020

<sup>20</sup> Due to importance of Petén's contribution to Guatemala's goals on national level, the target aims for a contribution of 30% under UTC 1 to 4 (2.77 M-TM x 0.3 = 0.831 M-TM) plus AGR-1 (0.637 M-TM) and RES-1 (0.19 M-TM). See MARN: Contribución Nacionalmente Determinada Actualizada 2021

<sup>21</sup> See "Policy instruments for an inclusive green economy", Gothenburg Centre for Sustainable Development 2021

Output 1.1	Improved capacities of Petén's public entities and stakeholders on inclusive green development issues.	<p><i>1.1.1 Number of public officials and stakeholders' representatives participating in events organised with support of the EU-funded intervention, who increased their awareness on inclusive green development, disaggregated by institution, organisation, sex and sector.</i></p> <p><i>1.1.2. Number of public officials and stakeholders' representatives with an improved knowledge on land usage effects, green transition, participatory urban planning, forest management and monitoring, including digital tools for traceability, disaggregated by institution, organisation, sector and sex.</i></p>	<p>1.1.1 Zero</p> <p>1.1.2 Zero</p>	<p>1.1.1 100 officials from public entities of Petén (2027).</p> <p>1.1.2 1 000 people (2027).</p>	<p>1.1.1 Lists from organizer entity</p> <p>1.1.2. Pre- and post-training tests, sign-in lists from capacity building events</p>	<p>State institutions and private entities incorporate new knowledge materials into their internal training and resource databases.</p> <p>The trained people stay at their posts.</p>
Output 1.2	Improved capacities of Petén's public entities and economic actors to develop bankable green projects.	<p><i>1.2.1 Number of public entities trained by the EU-funded intervention with increased knowledge and/or skills on access to finance.</i></p> <p><i>1.2.2 Number of applications presented by public entities trained under EU-funded intervention to finance projects for ecological transition.</i></p>	<p>1.2.1 Zero</p> <p>1.2.2 Zero</p>	<p>1.2.1 20 public entities of Petén (from ministries, municipalities, agencies, funds) by 2027.</p> <p>1.2.2 Ten applications until 2027 with total investment higher than GTQ 2 million each.</p>	<p>1.2.1 Lists from organizer entity (disaggregated by sex, sector, entity).</p> <p>1.2.2 Credit portfolio of private banks and dedicated financing agencies and national funds Monitoring system of the EU program.</p>	<p>State institutions and private entities incorporate new knowledge materials into their internal training and resource databases.</p>

<b>Outcome 2</b>	<b><i>Sustainable production and productivity of agriculture, livestock, forestry and tourism is increased.</i></b>	<p><i>2.1 Areas of agricultural and pastoral systems where sustainable management practices implemented with EU support (has).</i></p> <p><i>2.2. Ha of forests under the forest management plans that are approved by the local, regional and/or central governments.</i></p> <p><i>2.3 EUREF 2.11 Number of (a) jobs, (b) green jobs supported/sustained by the EU</i></p>	<p>2.1.1 TBD at project start; One (1) million hectares of pastureland with low levels of technology<sup>22</sup>.</p> <p>2.1.2. TDB at project start; 250 000 hectares with grains; 88 000 hectares with oil palms<sup>23</sup>.</p> <p>2.2.1 400 000 has of forest management plans in community concessions over 1 986 300 has with forest coverage in Petén (2022).</p> <p>2.3.1 Zero</p>	<p>2.1.1 13.500 <i>has</i> with sustainable practices in 2025, then increasing by 2 000 <i>has</i> per year<sup>24</sup>;</p> <p>2.1.2 19.500 <i>has</i> of agricultural land with improved conservation practices in 2025, then increasing by 2 000 <i>has</i> per year<sup>25</sup>;</p> <p>2.2.1 30 300 <i>has</i> of forest restored with management plans in 2025, then increasing by 3 000 <i>has</i> yearly<sup>26</sup>.</p> <p>2.3.1 TBD at project start (2024)</p>	<p>2.1.1, 2.1.2, 2.1.3 Statistics and yearly reports from MAGA, CONAP, INAB; Information from FAO, CATIE; Information from GREPALMA. Monitoring system of the EU program.</p> <p>Budget data of <i>Situado Constitucional</i> (municipalities, CODEDE, public entities, funds and ministries).</p> <p>Monitoring system of the EU program; Information from INGUAT</p>	<p>Monitoring reports of GUA's NDC plan. CODEDE of Petén committed to a green transition programme. Sufficient funds available from public entities, development partners and monitoring of EU project.</p> <p>Tourism stakeholder are engaged in the activities of the programme</p>
<b>Output 2.1</b>	Improved capacities of farmers for sustainable agricultural practices and resilient food production.	<i>2.1.1 Number of people receiving inputs with EU funding (seeds, tools, fertilizers, animals, animal vaccination/treatments, irrigation pump hours, tractor hours, equipment, etc.).</i>	2.1.1 Zero	2.1.1 TBD at project start (2024) via project-commissioned study	2.1.1 Monitoring system of the EU program; Information from implementing partners AECID, GiZ, FAO.	The farmers and public entities are motivated to engage sustainable practices.

<sup>22</sup> MAGA, Dirección de Información Geográfica, 2021: Determinación de la Cobertura Vegetal y Uso de Tierra de la República de Guatemala, Año 2020

<sup>23</sup> MAGA, Dirección de Información Geográfica, 2021: Determinación de la Cobertura Vegetal y Uso de Tierra de la República de Guatemala, Año 2020

<sup>24</sup> AGS-5 Guatemala NDC plan, 2022

<sup>25</sup> AGS-1 Guatemala NDC plan 2022

<sup>26</sup> REA-3 Guatemala NDC

Output 2.2	Improved production of nutritious food and food security.	<p>2.2.1 <i>Productivity of corn and bean production in Petén (TM per has).</i></p> <p>2.2.2 <i>Prevalence of severe or moderate undernourishment in the population, based on the Food Insecurity Experience Scale (FIES).</i></p> <p>2.2.3. <i>Number of associative schemes established with the support of the Action for ecological transition of their production, including transformation of raw materials and links to markets.</i></p>	<p>2.2.1 250 000 <i>has</i> cultivated area; Productivity (<i>TM per has</i>) not known TBD at project start (2024).</p> <p>2.2.2 30 674 people in phases 3+ of food insecurity (CIF 2021<sup>27</sup>).</p> <p>2.2.3 Zero</p>	<p>2.2.1 Productivity increased by 20% in 2027.</p> <p>2.2.2 Reduction of 10 000 persons in Phases 3+ of food insecurity by 2027.</p> <p>2.2.3 TBD at project start (2024)</p>	<p>2.2.1 MAGA / FAO information. Monitoring system of the EU program;</p> <p>2.2.2 Information of INSAN y CIF under SESAN. Monitoring system of the EU program.</p>	<p>The municipalities monitor the introduced sustainable practices and support with extension services</p> <p>Associative schemes continue their work and expand to include new members</p>
Output 2.3	Conserved forests generate sustainable employment and contribute to the reduction of GHG emissions.	<p>2.3.1 <i>Number of hectares under sustainable forest management and registered in forest incentive programmes</i></p> <p>2.3.2 <i>Number of hectares with forest fire prevention and control measures.</i></p> <p>2.3.3 <i>Tons of carbon dioxide equivalent (tCO<sub>2</sub>e) reduced and/or fixed.</i></p>	<p>2.3.1 Approx. 400 000 <i>has</i> (concessions)</p> <p>2.3.2 Approx. 400 000 <i>has</i> (concessions)</p> <p>2.3.3 Not known. TBD at project start</p>	<p>2.3.1 600 000 <i>has</i> in 2027</p> <p>2.3.2 1 000 000 <i>has</i> in 2027</p> <p>2.3.3 Reduction of 1.6 million TM CO<sub>2</sub>-eq in 2027</p>	<p>ACOFB, INAB, CONAP Monitoring system of the EU program</p> <p>ACOFB, INAB, CONAP Monitoring system of the EU program</p> <p>MARN, UNDP</p>	<p>INAB and CONAP continue their incentive programmes and count on necessary financial resources</p> <p>Associative schemes continue their work and expand to include new members</p>

<sup>27</sup> [https://portal.siisan.gob.gt/wp-content/uploads/IPC\\_Guatemala\\_Octubre-2020\\_-Version-Final-30-OCT-final.pdf](https://portal.siisan.gob.gt/wp-content/uploads/IPC_Guatemala_Octubre-2020_-Version-Final-30-OCT-final.pdf) indicando población vulnerable en Peten (Fase 3+)

Output 2.4	Strengthened efforts to protect and safeguard the Petén's cultural and natural heritage.	2.4.1 Number of Micro, Small, Medium Enterprises trained by EU with increased knowledge and/or skills on tourism. 2.4.2 Number of tourist facilities built/rehabilitated with EU support	2.4.1 Zero  2.4.2 Zero	2.4.1 TBD at project start (2024)  2.4.2 TBD at project start (2024)	2.4.1 Business plans and marketing strategies  2.4.2 Provisional and final acceptance certificates	Tourism stakeholder are engaged in the activities of the programme
<b>Outcome 3</b>	<b><i>Services in waste and wastewater management of the municipalities of watershed Petén-Itza are improved.</i></b>	<i>3.1 Number of people benefiting from waste management systems designed/upgraded by the EU-funded intervention, disaggregated by location and sex</i> <i>3.2 EURF 2.23 Areas of terrestrial and freshwater ecosystems under a) protection, b) sustainable management (ha)</i>	3.1.1 TBD at project start by project commissioned study (2024).  3.2.1 TBD at project start by project commissioned baseline (2024).	3.1.1 Increase of 100% by 2027 (of people connected in 2024, see baseline TBD)  3.2.1 TBD at project start (2024)	3.1 & 3.2  Monitoring system of the EU program; Information from municipal service providers.	Supported wastewater and solid waste management systems are replicated in other municipalities of Petén
Output 3.1	Improved capacities and facilities for solid waste management in the selected municipalities of Petén.	<i>3.1.1. Status of the sanitary landfill for the municipalities of San José and San Andres.</i>  <i>3.1.2. Status of furnishing the municipalities with equipment / tools for management of their solid waste systems.</i>	3.1.1 TBD at project start (2024).  3.1.2 Zero	3.1.1 50% of the inhabitants of the watershed Petén-Itza benefit from solid waste management in 2027.  3.1.2 Municipalities equipped to handle and manage their waste.	3.1.1 Monitoring system of the EU program; Information from municipal service providers.  3.1.2 Monitoring system of the EU program.	
Output 3.2	Improved capacities and facilities for the provision of wastewater removal services in selected municipalities of Petén.	<i>3.2.1. Status of Petén Itza watershed management plan.</i>  <i>3.2.2. Status of the sanitary sewerage network in Santa Elena (Flores) and San Benito.</i>  <i>3.2.3. Status of sanitary sewerage networks</i>	3.2.1 Outdated plan available at Lake Authority (AMPI)  3.2.2 30 000 people connected to sewerage system.  3.2.3 Zero	3.2.1 Plan approved by respective public authority and municipalities  3.2.2 60 000 people by 2027.  3.2.3 Four constructed and tested	3.2.1 AMPI; MARN; Municipalities  3.2.2 – 3.2.4 Information from municipal service providers. Provisional and final acceptance certificates	Municipalities provide for: a) final connections to households, b) implement maintenance plans for the facilities and networks built, c) count with sufficient

		<p>3.2.4. <i>Number of wastewater treatment plants constructed with EU support.</i></p> <p>3.2.5 <i>Status of furnishing the selected municipalities with equipment / tools for management of their sewerage systems.</i></p>	<p>3.2.4 Zero</p> <p>3.2.5 Zero</p>	<p>3.2.4 Four</p> <p>3.2.5 Municipalities (4) equipped to handle and manage their sewage system</p>	<p>3.2.5 Monitoring system of the EU program.</p>	<p>human and financial resources for operations.</p>
--	--	---	-------------------------------------	---	---	--



## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **72 months** from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this financing Decision and the relevant contracts and agreements.

### 4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>28</sup>.

#### 4.3.1 Direct Management (Grants)

Grants will contribute to achieving specific objective 1.

##### **(a) Purpose of the grant(s)**

The grants will contribute to achieving outputs 1.1. and 1.2 related with capacity building measures, training programs and the digitalization process.

##### **(b) Type of applicants targeted**

The type of applicant to be targeted should be a

- non-profit (semi) governmental organisation established in Guatemala or Central America.
- a non-governmental organisation, a private or public body operator, a foundation.

##### **(c) Justification of a direct grant**

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to an entity selected using the following criteria:

- Taking into consideration the particular situation of Petén, engaging in development interventions there (particularly for capacity building activities) is highly complex and requires an institution with the necessary experience and access to local authorities. Accordingly, the used selection criteria are the financial and operational capacity of the applicant and the award criteria will be the quality of the applicant's proposal in terms of design, effectiveness, feasibility, sustainability and cost-effectiveness.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the action has specific characteristics requiring a specific type

---

<sup>28</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

of beneficiary for its technical competence, specialisation or administrative power or nature of the action with regard to Article 27(3) NDICI-Global Europe Regulation.

#### **4.3.2 Direct Management (Procurement)**

A Technical Assistance (TA) contract linked to the fulfilment of Specific Objective 1. It will facilitate the dissemination of the Territorial Approach for Local Development at department and municipal levels, as a crosscutting axis of the different sectoral interventions for achieving a green transition process. Likewise, the Technical Assistance will be in charge of designing the programme for strengthening professional competencies of public officials, as well as monitoring and backstopping its progress and effectiveness. The TA will also design and implement a digitalization plan for introducing Information and Communication Technologies (ICT) throughout Petén's public administration, in particular municipalities, with the aim of information sharing with the public and offer of public services through digital solutions, as well as the respective training and technical support services.

#### **4.3.3 Indirect Management with a pillar assessed entity**

A part of this action may be implemented in indirect management with the German agency *Gesellschaft für Internationale Zusammenarbeit* (GIZ). This implementation entails activities relates to outputs 1.1, 1.2 and 2.1. The envisaged entity has been selected using the following criteria: (i) financial and operational capacity; (ii) demonstrate technical capacity and experience in the relevant fields concerned (i.e. sustainable management of protected areas, development of forest concession systems, forestry); (iii) demonstrated operational capacity to deliver projects in alignment with national priorities; and (iv) demonstrated ability to lead policy dialogue with national counterparts in the relevant fields concerned.

A part of this action may be implemented in indirect management with the Spanish Agency for International Cooperation (Agencia Española de Cooperación Internacional para el Desarrollo, AECID). This implementation entails activities relates to outputs 3.1 and 3.2. The envisaged entity has been selected using the following criteria: (i) financial and operational capacity; (ii) demonstrate technical capacity and experience in the relevant fields concerned (i.e. water and sanitation, solid waste management, sustainable tourism development and protection of cultural and environmental heritage); (iii) demonstrated operational capacity to deliver projects in alignment with national priorities; and (iv) demonstrated ability to lead policy dialogue with national counterparts in the relevant fields concerned.

A part of this action may be implemented in indirect management with the Food and Agriculture Organisation (FAO). This implementation entails activities relates to outcome 2. The envisaged entity has been selected using the following criteria: (i) financial and operational capacity; (ii) demonstrate technical capacity and experience in the relevant fields concerned (i.e. sustainable and climate change resilient agriculture and livestock); (iii) demonstrated operational capacity to deliver projects in alignment with national priorities; and (iv) demonstrated ability to lead policy dialogue with national counterparts in the relevant fields concerned. The choice of this partner contributes to a strategic approach to the EU's multilateral engagement, being FAO an important policy and strategic interlocutor in resilience building of the agricultural sector in a context of recurrent climate-related shocks and strengthening the food security policy in Guatemala. Since many years, FAO is a key implementer for the delivery of the EU's development assistance.

In case the envisaged entities would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If negotiations with the above-mentioned entities fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in this section 4.3.3.

#### **4.4. Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5. Indicative Budget

<b>Indicative Budget components<sup>29</sup></b>	<b>EU contribution (amount in EUR)</b>	<b>Third-party contribution, (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.3		
<b>Objective/Outputs 1</b> composed of		
Grants (direct management) – cf. section 4.3.1	800 000	
Procurement (direct management) – cf. section 4.3.2	800 000	
<b>Objective/Outputs 2</b> composed of		
Indirect management with GIZ - cf. section 4.3.3	11 000 000	To be determined
Indirect management with FAO - cf. section 4.3.3	10 000 000	1 000 000
<b>Objective/Outputs 3</b> composed of		
Indirect management with Spanish Agency for International Cooperation (AECID) cf. section 4.3.3	16 000 000	1 600 000
<b>Evaluation</b> – cf. section 5.2	700 000	N.A.
<b>Audit</b> – cf. section 5.3		
<b>Contingencies</b>	700 000	N.A.
<b>Totals</b>	<b>40 000 000</b>	

#### 4.6 Organisational Set-up and Responsibilities

A Steering Committee will oversee the implementation of this action. The steering committee may discuss, review and endorse the work plans of the different components, the selection of locations and the respective infrastructure projects to be built. The Steering Committee will be presided by the Governor of Petén and be composed of the Guatemalan key stakeholders concerned by the implementation of the action, the European Union and co-financers (i.e. German, Spain and FAO), and selected implementation partners. Furthermore, regional and local level representatives may be included. As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular

<sup>29</sup> N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The baseline and target data will be refined at the beginning of the implementation of this Action. The Steering Committee will establish the appropriate monitoring and reporting arrangements among implementers regarding responsibilities, timing, and source of funding.

Progress monitoring will follow EU guidelines and standards and will be based on the logical framework and the established indicators. Several indicators require a baseline survey and a final data collection survey. The implementing partners will be responsible for making sure that these surveys are carried out by contractors in a timely manner (at the beginning of activities in the case of baseline surveys and at the end of them for final data collection surveys).

All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality, based on the logical framework matrix indicators. Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action's implementation

The action will be overseen by the EU Delegation to Guatemala through day to day programme monitoring activities, visits, and its participation in the Steering Committee and in the events related to planned activities.

Furthermore, a Technical Assistance will be engaged in order to capture the impact and build on the outcomes of the Action. To this end, the baseline and targets data will be updated during the implementation of this Action in line with the different components. Measure indicators continuously and report on the change of the indicators' values, and verify and revise when needed, the validity of the assumptions. This follow up will be on six months' basis in order to keep the EU Delegation informed about the results as they materialize on the ground. Finally, the AT will be also in charge of compiling and monitoring the implementation of the Team Europe approach, as well as proposing recommendations for future similar interventions. Conduct research, prepare, and submit case studies to show best practice examples to engage and publicly communicate on the rolling out the Global Gateway Strategy. These resources will instead be consolidated in Cooperation Facility established by support measure action documents.

## 5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluation(s) will be carried out for this action or its components through joint missions to provide an overview of the action within the larger impact of the TEI.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the territorial approach to local development.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that it will be the first TEI action and given its complexity, multisectoral and territorial approach.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

### 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as;

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action