



PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

Submission date: 8 November, 2011

GEF PROJECT ID:

GEF AGENCY PROJECT ID: 4639

COUNTRY(IES): Guatemala

PROJECT TITLE: Conservation and Sustainable Use of Biodiversity in Coastal and Marine Protected Areas (MPAs)

GEF AGENCY(IES): UNDP, (select), (select)

GEF FOCAL AREA(S): Biodiversity

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG (tentative)	05/01/2012
Completion date of PPG (tentative)	04/01/2013

B. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

The PPG process will engage stakeholders and support activities that result in the full design of the project *Conservation and sustainable use of biodiversity in coastal and marine protected areas (MPAs)*. The final result of the PPG process will be the Project Document (PRODOC) and the CEO Endorsement Request, which will be submitted to the GEF Sec within the agreed upon timeframe and with all support documentation required, including co-financing confirmation letters.

The overall project strategy and its main components were defined during the preparation of the Project Identification Form (PIF). However, to cover the costs of the final assessment and definition of priority actions, PPG resources are being requested from the GEF. These funds will be used to prepare a set of assessments and consultations related to the components defined in the PIF, which will promote the delivery of global environmental benefits through effective MPA management and the conservation and sustainable use of coastal and marine biodiversity in Guatemala. Specifically, the PPG will support the following activities: a) assessment of the existing regulatory and financial framework for MPA management; b) establishment of the baseline information for marine-coastal biodiversity and MPAs; c) assessment of the project's socioeconomic benefits and the capacity needs of national and local stakeholders to implement project activities; and d) final preparation of the full-sized project (FSP), including development of relevant documentation, results framework, risks and mitigation plan, monitoring and evaluation (M&E) plan, budget and work plan, implementation arrangements, and stakeholder involvement plan.

1. Legal and financial framework

1.1. Review of the existing MPA legal framework. PPG resources will be used to review current legislation, the institutional basis, and the operational procedures related to the creation and management of MPAs in Guatemala. Gaps in the legal framework required for strengthening MPA management will be identified. Specifically, the following will be developed: a) preliminary policy guidelines for government and non-government sectors to support MPA management and coastal and marine biodiversity conservation; b) stakeholders' assessment involving policy-makers, government institutions, production sectors, civil society organizations (CSOs), and other interest groups for effective MPA management; and c) recommendations for improving institutions' coordination capacity at the local and national levels.

1.2. Review of financial framework and establishment of the MPA financial baseline. During the PPG a baseline study will be performed to assess the MPAs' financial status. Specific issues to be addressed include current and projected management costs and financial sources, anticipated financial gaps, existing revenue

allocation mechanisms and their limitations, and the evaluation of the business plans' status for existing MPAs. This activity will also include an assessment of existing financial capacity and mechanisms to manage and allocate the funds effectively and efficiently. This information will constitute the baseline for defining the financial strategies to be implemented throughout the project's life.

PPG funds will also be used to assess the technical viability for the implementation of a ballast water use management program and fee system to support MPA financing. This will include the following activities: a) assessment of the national legislation that supports/clarifies rules and methodologies for the proposed financing/payment mechanism; b) identification of viable methods to determine payment levels for the proposed payment scheme; c) estimation of the cost-effectiveness of the proposed payment scheme; and d) identification of strategies for the allocation of the proposed payment to MPAs.

2. Baseline data collection and definition of conservation targets. The PPG will finance baseline studies that will result in the definition of baseline values and conservation targets for key coastal and marine species of existing MPAs and their buffer areas. Specifically, the following activities will be funded: a) research and establish the conservation status and threats (and their underlying causes) for species and ecosystems of local and global importance present in Guatemala's MPAs; b) detailed literature review to define biological, population, and ecological variables (e.g., abundance, life cycle stages, distribution, habitat requirements, and coverage) for key marine and coastal species; c) definition of baseline values and conservation targets for selected species and ecosystems project impact indicators; and d) completing the biodiversity tracking tool required by the GEF.

3. Assessment of project's socioeconomic benefits and capacity needs of stakeholders for the effective management of MPAs. PPG funds will be used to ensure that the socioeconomic benefits of the project, including benefits to women, are assessed and incorporated into the project design. Additionally, PPG funds will allow the development of a stakeholder analysis and determine knowledge gaps and needs of key national and local stakeholders related to coastal and marine biodiversity and MPA management so that skills are in place for successful project implementation and to ensure its sustainability. Specific activities will include:

3.1. Gathering and analysis of socioeconomic baseline information for new and existing MPAs.

Socioeconomic studies for three (3) new and two (2) existing MPAs will be developed using PPG funds. These studies will allow the following: a) identification of local and national stakeholders, including groups potentially affected by the establishment of MPAs, and potential areas of conflict; b) identification of perceptions held by local stakeholders of the marine environment and MPAs; and c) development of a stakeholder engagement plan to define forms of participation in project implementation, including roles and responsibilities as well as building of alliances with local groups and municipalities to promote the effective management of the MPAs.

3.2. Management capacity assessment for MPAs. PPG funds will also be used to assess the training needs of MPA planners and managers, including: a) assessment of knowledge gaps and the needs of national technical staff (Protected Areas National Council [CONAP], Ministry of the Environment and Natural Resources of Guatemala [MARN], National Forest Institute [INAB], Ministry of Agriculture [MAGA], and the Ministry of Defense/Navy), staff from coastal municipalities, civil society (non-governmental MPA co-administrators and local communities), and production sectors (fisheries, energy, maritime ports/transportation, and urban development) regarding MPA management and the conservation and sustainable use of coastal and marine biodiversity; b) extension support needs for the implementation of biodiversity-friendly practices for small-scale artisanal fisheries; and c) monitoring and enforcement needs for the municipalities and CONAP to reduce threats to MPAs and coastal and marine biodiversity. Training targets will be reviewed and adjusted as needed.

4. Final preparation of project proposal including feasibility analysis and budget. The two key outputs of this activity are the PRODOC and the CEO Endorsement Request, which will include the detailed project strategy, including incremental cost analysis, cost-effectiveness, and risks; the project's budget and work plan; and the M&E plan. The preparation of the final project proposal will include consultations at the national level to reach consensus on the final project details (drawing on inputs from activities 1, 2, and 3)

and to define implementing arrangements. These activities will pave the way for effective and efficient project implementation and will ensure the sustainability of project actions. The specific activities include:

- a) Evaluating the alternatives in order to define the project's strategy and establishing the cost-effectiveness analysis of the preferred strategy and suite of activities.
- b) Selecting the key project indicators and monitoring strategy for the project, including biodiversity benefits. This will include an evaluation of current M&E systems used by the different stakeholders in Guatemala to measure impacts on coastal and marine biodiversity and impacts of conservation actions. It will also include consultations with experts on indicators and the identification of baseline values for these indicators.
- c) Evaluating the environmental, social, financial, and institutional sustainability of the proposed project activities.
- d) Validating the final details of the project's outcomes, outputs, and activities summarized in the results framework and the results of the studies undertaken in activities 1, 2, and 3. This will include further identification of project risks and definition of risk mitigation measures, as well as final validation of indicators and quantified targets.
- e) Defining the implementing strategy for the FSP, including institutional arrangements to support project implementation, costs of the project management unit, inputs required for implementation (consultant/contracts and their terms of reference [ToRs] – equipment, travel, etc.), and developing a financing plan, including identification of co-financing sources and securing commitments through co-financing letters.
- f) Costing the expected project outcomes and outputs, and ensuring that the focal area funding is in line with GEF requirements.
- g) Formulating the project's M&E strategies, including baseline levels, indicators, methodologies, and targets to track the project's progress and effectiveness; developing a cost-effectiveness analysis protocol to identify optimal interventions; evaluating lessons learned and outlining replication strategies; and quantifying the cost of the M&E strategy.

Proposed Project Preparation Activities	Outputs of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c = a + b
1. Assessment of the existing legal and financial framework of the project.	<ul style="list-style-type: none"> – Preliminary policy and financial guidelines to support MPA management and coastal and marine biodiversity conservation in Guatemala are defined. – Strategy for effective institutional coordination at the local and national levels is defined. – Baseline of the financial status of MPAs is completed. 	GEFTF	14,820	52,420	67,240
2. Baseline and conservation targets for marine-coastal biodiversity.	<ul style="list-style-type: none"> – Baseline values for key species and ecosystems are established. – Conservation targets for project impact indicators are defined. – GEF tracking tool for biodiversity is completed. 	GEFTF	14,820	52,420	67,240
3. MPA socioeconomic characterization and capacity needs.	<ul style="list-style-type: none"> – MPA stakeholder analysis is performed to assess the roles and responsibilities of the key stakeholder institutions and groups (national and municipal governments, CSOs, and sectors). – Socioeconomic benefits and potential conflicts of the proposed project activities are evaluated. – Stakeholder capacity assessment is performed to determine the capacity constraints of key stakeholders in supporting MPA management and marine-coastal biodiversity; and the baseline of capacity development indicators as per the UNDP Capacity Development Scorecard for national and local stakeholders is established. 	GEFTF	14,819	39,375	54,194

	<ul style="list-style-type: none"> – Action plan for the incorporation of gender aspects into the project is developed. – Consultations at the local level in support of the development of the project's stakeholder involvement plan are completed. 				
4. Final preparation of project proposal, including feasibility analysis and budget.	– PRODOC and CEO Endorsement Request are prepared and include the detailed project strategy, including incremental cost analysis, cost-effectiveness, and risks; detailed budget, stakeholder involvement plan; and the detailed project M&E plan.	GEFTF	46,450	37,875	84,325
Total Project Preparation Financing			90,909	182,090	272,999

C. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee
Grant Amount	90,909	9,091
Co-financing	182,090	
Total	272,999	9,091

D. PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)¹:

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
Total PPG Amount						

¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

E. PPG BUDGET

Cost Items	Total Estimated Person Weeks for Grant (PW)	Grant Amount (\$)	Co-financing (\$)	Total (\$)
Local consultants *	160	44,450	94,090	138,540
International consultants*	12	32,100	0	32,100
Travel**		10,109	15,000	25,109
Workshops & consultation***		4,250	73,000	77,250
Total PPG Budget		90,909	182,090	272,999

* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information.

** Travel costs: Travel cost will cover: a) local travel for consultants to MPAs in the Pacific and Caribbean costs (cost for terrestrial travel and per diems); and b) travel to Guatemala and per diems for international project planning and monitoring expert.

*** Miscellaneous cost under co-financing covers cash and in-kind contributions from project partners (i.e., Government and NGOs) associated with PPG management and administrative costs including: contracting of consultant and follow-up; participation of staff in project design; document translation; office space and equipment; and financial management and reporting. Workshop costs include a PPG inception workshop and consultation meetings with multiple stakeholders for project formulation.

F. GEF AGENCY CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF Trust Fund criteria for project identification and preparation.					
Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Yannick Glemarec, UNDP/GEF Executive Coordinator		November 8, 2011	Santiago Carrizosa, RTA, EBD	+507 302-4510	Santiago.carrizosa@undp.org

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Type of Consultant	Position / Titles	\$/Person Week¹	Estimated PWs²	Tasks to be Performed
Local	Operational/MPA Expert	1,000	44	<p>The Operational/MPA Expert is responsible for coordinating the work of all other national and international consultants, and will ensure the quality and timely preparation of all reports and documentation. He/she is responsible for the following tasks:</p> <ul style="list-style-type: none"> - Defining operational strategies and resource needs, and providing administrative support for effective project design. - Providing methodological orientation to local experts and the Government of Guatemala (GoG) to ensure a harmonized approach to data collection and consultation with stakeholders. This will include: i) review of methodologies proposed by different experts for data collection and reports, and ii) organization and support of meetings, consultations (i.e., threats analysis, logical framework, institutional and participation arrangements) with the different stakeholders. - Compiling a detailed description of threats and impacts to MPAs and marine-coastal biodiversity. - Defining the implementation needs and participation mechanisms for national and local stakeholders, including the fishing sector groups. - Developing a stakeholder involvement plan jointly with the Socioeconomic Expert and in coordination with the International Project Planning and Monitoring Expert. - Establishing, in coordination with the Socioeconomic Expert, the baseline for capacity development of national and local stakeholders involved in the project using the UNDP Capacity Development Scorecard. - Coordinating and providing technical support for the preparation of the BD tracking tool. - Holding meetings and consultations with relevant institutions to secure the co-financing and ensuring the receipt of co-financing letters. - Providing support to the International Project Planning and Monitoring Expert in the drafting of the project documentation in full and following UNDP and GEF guidelines. Support will include: baseline analysis, project logical framework and indicators, incremental-cost analysis, quantified description of the global environmental benefits of the project, risk analysis and mitigation strategy, sustainability of proposed project activities, replication of project activities, project budget, and definition of the ToRs for the key consultants/contracts to be employed by

Type of Consultant	Position / Titles	\$/Person Week ¹	Estimated PWs ²	Tasks to be Performed
				the project.
Local	MPA Legal Expert	815	16	<ul style="list-style-type: none"> – Reviewing and analyzing the existing legal and institutional framework for MPAs in Guatemala. – Defining gaps in the existing legislation that limit support of MPA management, marine-coastal conservation, and reduction of threats by municipalities and key production sectors (energy, fisheries, maritime ports/transportation, and urban development). – Proposing preliminary legal/policy amendment guidelines and developing a gap analysis for the procedures required for effective institutional coordination at the local, regional, and national levels. – Identifying and describing the roles of key stakeholders related to the proposed policy reforms and institutional coordination mechanisms, and outlining a stakeholder involvement plan.
Local	MPA Financial Expert	815	28	<ul style="list-style-type: none"> – Assessing, in consultation with CONAP’s finance officials, the current funding levels of the existing MPAs (baseline values), in terms of needs vs. current income from government and private sources. – Evaluating the status of the management and business plans for two of the existing MPAs (Sipacate-Naranjo National Park and Monterrico Multiple-Use Natural Reserve). – Evaluating national legislation on ballast water use and payment schemes. – Reviewing national and international experiences with ballast water payment schemes and identifying key elements and viable methods to determine payment levels to be used in the project. – Defining and evaluating the potential for implementing the proposed payments schemes for MPAs and mechanisms for the effective allocation of payments. – Defining indicators of the increased and diversified funding for the MPAs to assess the set goal of an increase by 10% of MPAs financing by project’s end. – Establishing, in coordination with the International Project Planning and Monitoring Expert, the project’s baseline: investments, programs, and projects to be implemented during the life of the project. – Developing the GEF tracking tool for biodiversity (Section Three: Financial Sustainability Scorecard) in coordination with the International Project Planning and Monitoring Expert.
Local	MPA Planning Expert	815	16	<ul style="list-style-type: none"> – Mapping, in coordination with the Marine Biodiversity Conservation Expert, the MPAs’ preliminary boundaries and determining their coverage and ecosystem representation. – Developing the GEF tracking tool for biodiversity

Type of Consultant	Position / Titles	\$/Person Week ¹	Estimated PWs ²	Tasks to be Performed
				(Section One: Project General Information and Section Two: Management Effectiveness Tracking Tool [METT]) in coordination with the International Project Planning and Monitoring Expert.
Local	Marine Biodiversity Conservation Expert	815	28	<ul style="list-style-type: none"> – Reviewing existing biological and ecological information for key coastal and marine species present in existing and planned project MPAs. – Performing, jointly with the Operational/MPA Expert, a coastal and marine biodiversity threat analysis. – Designing biodiversity impact indicators for marine-coastal species and ecosystems to be assessed and monitored during project implementation, and defining baseline values and conservation targets based on available secondary information and expert opinion.
Local	Socioeconomic Expert	815	28	<ul style="list-style-type: none"> – Evaluating the local socioeconomic benefits of MPAs and potential conflicts. – Performing stakeholder analyses and assessing capacity-building needs of national and local stakeholders for MPA management and the conservation and sustainable use of marine and coastal biodiversity. – Establishing the baseline of capacity development indicators as per the UNDP Capacity Development Scorecard for national (CONAP, INAB, MAGA, and the Ministry of Defense/Navy), local stakeholders (municipal staff and community members), and production sectors (fisheries, energy, maritime ports/transportation, and urban development). – Developing an action plan for the incorporation of gender aspects into the project, including specific activities to benefit women. – Carrying out consultations at the local level to assist the Operational/MPA Expert and the International Project Planning and Monitoring Expert in the development of the project's stakeholder involvement plan.
International	Project Planning and Monitoring Expert	2,675	12	<p>The International Project Planning and Monitoring Expert will closely coordinate with the Operational/MPA Expert and the team of experts, with at least two missions to Guatemala as well as home-based work, to perform the following tasks :</p> <ul style="list-style-type: none"> – Providing an overall orientation to the PPG team in relation to GEF requirements for project planning and monitoring. – Providing methodological guidance for data collection related to project planning and monitoring with particular attention given to the description and quantification of the baseline investments. – Defining and validating the project outcomes, outputs, and activities based on a logical framework analysis and the results of the PPG studies undertaken

Type of Consultant	Position / Titles	\$/Person Week ¹	Estimated PWs ²	Tasks to be Performed
				<p>by the team of experts.</p> <ul style="list-style-type: none"> - Assessing existing monitoring and evaluation systems of relevant institutions for coastal and marine biodiversity in Guatemala and providing guidance and orientation to define indicators and quantify targets to track project progress and effectiveness. - Developing the results framework of the project. - Compiling the final baseline/situational analysis for the project based on the inputs from local experts and in close cooperation with the key national stakeholders. This will include a precise definition of baseline projects, activities, budgets, goals, and co-financing links to GEF outcomes; definition of GEF incremental value per outcome and output; and development of incremental cost matrices. - Preparing a quantified assessment of the project's global environmental benefits for biodiversity conservation based on inputs from local experts and international standard criteria for effective MPA management. - Preparing the M&E plan and budget. - Drafting final project documentation, including: i) socioeconomic benefits of the proposed interventions at the national and local levels; ii) environmental, social, financial, and institutional sustainability of proposed project activities; iii) cost-effectiveness analysis of the project strategy and suite of activities compared with the alternatives; iv) replicability strategy for project activities; v) risk analysis of the proposed project activities and measures to mitigate risks; vi) incremental cost analysis; and (vii) budget. - Ensuring that the biodiversity tracking tool is completed following UNDP and GEF guidelines. - Developing the Stakeholder Involvement and Public Participation Plan based on input from national experts, including an action plan for the incorporation of gender aspects into the project. - Drafting ToRs for the key consultants/contracts to be employed by the project. - Performing final reviews of the required project documentation.

¹ Dollar amount per person week.

² Person weeks needed to carry out the task.