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A Contribution Towards a New Results Package and Framework for the Environment/Natural Resources Sector of the USAID/Guatemala Strategic Plan

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I. Introduction

A. Background

Although Guatemala is becoming increasingly known for the beauty and bounty of its natural resource base, much of the country's natural areas are inherently fragile and remain under continuous human pressures leading to their degradation. There are strong parallels with the dignity and destiny of many of the country's poorest people, forced to eke out a bare subsistence using traditional farming practices ill-suited to the steep highlands to which they have been forced to retreat or the easily degraded tropical lowlands where they have sought refuge. Improving natural resources management has long been an important part of the country's development plans supported by USAID, albeit something constrained in many ways by years of inequities, injustice and civil struggle.

There is cautious optimism and hope as a result of the Peace Accords signed in 1996 which have since cleared the way for a wide range of programs and activities destined to address the social and economic inequities which have undermined the development potential of the country and her people for all too long. Peace, however, is bringing both opportunities and challenges to the wise stewardship of natural resources in Guatemala. The pressure on the integrity of the fragile ecosystems of the MBR, other protected areas and remaining forested areas is increasing as people justifiably seek to improve their situation by occupying land, using these resources in traditional but regrettably unsustainable ways. Programs addressing land claims, tenure rights and titling linked to improved technology (intensification/improvement of highland and lowland agriculture, agroforestry, sustainable forest management) figure prominently in the package of agreements and may ease somewhat the pressure on fragile lands. However, reconciling the pressures related to human settlements and land-use with those of maintaining the integrity of the protected areas is still a very real dilemma that needs a coherent and firm set of policies.

If the country is to reach her full potential, the Government of Guatemala and the donor partners and organizations that seek to assist her must increasingly confront this inescapable reality of fragile lands and the need to find ways to match land-use with land capability-- the basic principle of sustainable natural resources management. The prospects for peace and security are dramatically enhancing Guatemala's position as a premier tourism destination in an expanding world tourist marketplace. The unique combination of pristine and protected natural areas, archeological treasures and a rich and vibrant cultural diversity offers a high quality tourism experience that will provide competitive leverage in the market and continue to generate the foreign exchange that has been so important to the country's economic development. There is also a good match between biodiversity conservation and efforts to contain global climate change inherent in the development of protected areas thus further improving the rationale for investment in more sustainable land-use alternatives.

Continuing support of well articulated biodiversity conservation programs reflects a growing international awareness of the importance of these resources for the world community at large.

Guatemala offers a *prima facie* case for investment in protected areas and one where experience has shown that these programs offer considerable advantage over accepting transitory gains resulting in

land degradation from inappropriate land-use choices that will eventually cost more-- socially, politically and economically-- to rehabilitate.

B. USAID/G-CAP Role

For well over two decades, USAID and its partners, both within Government and beyond, have been working together to find ways to better utilize the shrinking natural resource base. Soil conservation and reforestation practices have begun to take hold in the Highlands. The development of small-scale irrigated agriculture ("*mini-riego*"), one of the core activities promoted by USAID in the 1980's, has led to a wholesale shift from subsistence agriculture to an increasingly market and export-oriented farm economy in many areas of the country. These achievements have had marked results on household food security, poverty reduction, income generation and general welfare of many rural people while at the same time putting in place productive and sustainable land-use options.

Much has been achieved but the nexus of a largely agricultural economy, population growth, and the need for environmental stability and sustainable rural development models demands a continuing pursuit of appropriate and productive land-use models better adapted to the remaining wild lands of the country, both in the highlands and the lowlands.

USAID will continue to nurture the evolution of productive, diversified and sustainable farming through its program activities under SO 2- Increased Rural Household Income and Food Security. These activities will be undertaken in selected geographic areas once part of the conflict zones. They will seek to strengthen the opportunities of smallholder households to find their place in an increasingly market-oriented rural economy, thus mitigating the pressures to migrate to new lands in the lowland tropics or to clear fragile highland sites that are now essential for watershed stability.

Since 1989, much of USAID's support to the environment/natural resource sector in Guatemala has focused on highlighting and capturing the opportunities associated with protecting unique and fragile ecosystems. Most of this activity and investment has centered on the Maya Biosphere Reserve of the Peten-- a globally important reservoir of biodiversity, special habitats and fragile areas, and... largely unrealized economic development potential. In the last five years, with USAID support and the concerted efforts of a wide range of Government and non-government organizations, important lessons regarding the real potential contribution of protected areas for the full socio-economic development of the country and what will be required to achieve it have been confirmed. This results package and its activities will continue to directly support the achievement of the strategic objective for the environment/natural resources sector. By design, it will build on the relatively rich understanding of the opportunities and constraints to the sector resulting from field and performance-based evaluations with GOG partners, customers and other collaborators which can be used to inform the joint decision-making regarding the next cycle of assistance and cooperation between the US and Guatemala in the new millennium.

C. Proposed Strategic Objective

The primary objective of USAID's activities and investments in this sector during the next cycle will be to continue to safeguard the biologically diverse resource base by underscoring and validating their worth in contributing to socio-economic development, for local people living adjacent to these protected areas and for the nation and society as a whole. The fundamental **development hypothesis** is clear: Natural resources which offer the prospect and realization of tangible benefits and value for a wide variety of fully engaged stakeholders are those most likely to be well managed, appropriately utilized and protected over the long-term.

This hypothesis embodies the long touted but too often misunderstood paradigm known as conservation. USAID believes that its support for the development of the National System of Protected Areas (SIGAP) will also provide a conceptual and programmatic cornerstone for the mosaic of appropriate land-use patterns that must eventually emerge as the anchor of sustainable development in Guatemala. Similarly, building on the lessons learned from over a decade of concerted US/Guatemala cooperation in the sector, the program will lead to increasing effectiveness and efficiency in the management of these investments and in the optimization of its results and benefits.

The strategic objective reflects as well a growing USAID comparative advantage built on years of support and sector leadership for natural resources management in addressing "green side" issues in Guatemala. Worldwide experience has firmly convinced USAID that it must "stay the course" in the natural resources sector if its investments are to properly gestate and lead to real results. This program will also be especially well articulated with Agency level and US foreign policy goals that explicitly underscore the importance of natural resources management as a component of sustained economic growth and development.

This Results Package and Framework represents the first in a series of steps in making the transition from the former system of cooperation characterized by a series of project grant agreements to a first Strategic Objective Agreement (SOAG) for USAID assistance to the Government of Guatemala in the sector. USAID anticipates tabling this Results Package for consultation and negotiation with a number of its primary partners in the sector, namely MAGA, CONAP, CONAMA and INAB (who are the central organizations in the newly created governmental Natural Resources Group) and the primary focal points for national decision-making on policy, planning and programming on environment and natural resources issues.

To enhance its understanding of the Lessons Learned, USAID commissioned an outside analysis and intra-sectoral consultation of the present projects and activities¹. This exercise confirmed a number of programming and technical imperatives that have been used to guide the formulation of the Results Framework embodied hereafter; they include:

¹ See IRG 1999. **Lecciones Aprendidas y Oportunidades Futuras bajo el Objetivo Estrategico Medio Ambiente y Recursos Naturales USAID y Gobierno de Guatemala**, Guatemala City, Febrero 1999

- C **program consolidation**- meaning further consolidation of the gains made so as to guarantee that the substantial USAID investments to-date are not lost along with greater program integration and linkages across the Strategic Plan;
- C **focusing USAID's limited resources for maximum impact** so as to ensure the achievement of the intermediate results of the overall SO while taking into account the activities of other players (GOG programs and organizations, local and international NGOs, local governmental institutions, and other donors) in the sector²;
- C **purposeful valuation of the biodiversity and protected areas resource base**, underscoring the importance of them as worthwhile pieces of the national investment strategy that will lead to productive and tangible gains for development and society;
- C further development of the real meaning of **the partnership relationship between USAID and its GOG partners**, with a view to contributing to national goals related to institutional strengthening in the sector, decentralization and deconcentration of government services, and further clarification of the roles and responsibilities of all the players engaged in this program; and
- C the need for concerted efforts to develop **a coherent policy framework** built on national development goals, well articulated with the right **market and price signals and financial support mechanism** consistent with sustainable natural resources management.

² See IRG 1998a. reference the title and citation of the donor program matrix. This assessment of on-going and planned projects and programs being supported by the GOG, donor and NGO community in the sector has provided USAID with assurances of the "fit" of its program and the rationale and potential for well justified leveraging of additional support for the sector.

II. Strategic Objective

A. Objective

The proposed **Strategic Objective** would be as follows: Biodiversity conservation and mitigation of climate change by valuation, development, and consolidation of the Guatemala Protected Areas System (SIGAP).

The **SO level performance indicator** will be: a reduction in the instances of invasions, human settlements and inappropriate resource use which undermine the integrity of the protected area system.

B. Geographic Focus

The geographic focus is based on a strategy of trying to build up the integrity of the southern base of the MBR and thereby shielding, at least to some degree, the less developed and protected areas in the north of the Peten. This would be accomplished by consolidating work in three strategic protected areas along the southern fringe (National Parks- Sierra Lacandon, Laguna del Tigre and Yaxha) and continuing the cooperation with those responsible for the Tikal National Park-- IDAEH and the San Miquel Lapolotada Biotope (CECON). It also supposes continued encouragement and modest assistance and support for the work to stabilize and rationalize land-use in the inter-lying areas between these reserved protected areas which constitute, for the most part, parts of the multiple-use zone.

Although the MBR remains the flagship of SIGAP, the working models for the protection, management, utilization and conservation of the areas within it have already provided a basis for action in other priority areas of the country. This program will provide modest support for activities in two or three additional protected areas. These areas, to be phased into the program, would be drawn from a list of priority areas selected against a set of criteria and as the result of a concerted dialogue with GOG partners.

Although the program will continue to emphasize the opportunities and needs of the SIGAP entities with the Departments of the ZONAPAZ, it may also be possible to justify-- as a result of consultation with the GOG and application of sound selection criteria-- investments/activities outside it, e.g., as has been suggested, in an area of coastal/marine biodiversity significance.

C. Target Beneficiaries

Much of the thrust of the program during the next cycle will focus on taking the lessons learned over the last decade and equipping local organizations (on-site managers of protected areas, local government personnel, national and local NGO personnel) to begin to take charge and bring decision-making, administration and benefits closer to home. Accordingly, these personnel will, in many

instances, be the primary customers for the investments and activities of the program (technical assistance, training, institution-building, operational support).

The local people living in and around the protected areas will continue to be important customers and beneficiaries because the results being sought are intended to improve their livelihoods and thus allow them to avoid behavior detrimental to the integrity of the areas.

At another more specific level, secondary beneficiaries will also include a series of constituent groups for which the program will furnish additional information and motivation to support the twin goals of conservation and production in a rational manner.

Because of the emphasis being given to human resources development in the context of institutional strengthening, a range of staff within the major partner agencies, particularly at the local level, and other collaborating organizations are considered as customers for certain of the technical assistance, education and training activities.

D. Targets

It would be very premature to get specific at this juncture!

E. Partners

The overall design of this program dictates a re-alignment of the partnership relationship between USAID and among GoG agencies and entities, at various levels, and with other collaborating organizations. The thrust of this cycle of support for the sector, consistent with GOG institutional development goals, will be to contribute to further decentralization of services and deconcentration of authority essential to an effective and efficient institutional framework for developing the protected area system.

Although it is envisaged that the existing major GOG partner agencies will continue to be purposely engaged in achieving the results, their roles (and that of USAID as well) will evolve and become oriented to facilitating program implementation and problem-solving at the field level.

Similarly, as concerns the current co-management relationships with international and national NGOs, it is expected that such arrangements will continue, albeit with a decided shift in emphasis towards control by local and national NGOs. The role of the international conservation-oriented NGOs will become one of technical assistance, punctual support activities, and self-funded parallel functions and contributions that continue to enhance the development of biodiversity conservation and mitigation of climate change.

III. Intermediate Results

This Strategic Objective and its Intermediate Results embodies the Mission's understanding and commitment as to how it can use limited USAID resources and leverage most effectively to maintain, facilitate and even accelerate national achievements related to biodiversity conservation and mitigation of climate change for the benefit of Guatemala and her peoples (please see Appendix A, the Strategic Objective Results Framework).

IR 1 is focused on facilitating a re-alignment and transformation of the political, administrative and operational roles and responsibilities for SIGAP. These changes are based on an already quickly evolving institutional framework consistent with larger national goals of a more effective and efficient State apparatus and a fuller engagement of civil society. The results being sought herein will have a catalytic effect and resonance beyond the purview of this program and the geographical areas in which it eventually works. A new institutional model will facilitate engaging other partners and stakeholders (donors, NGOs, municipalities, communities) and constituents for conservation by clarifying roles, responsibilities, operational procedures, and sector expectations for joint undertakings.

Managing a system of protected areas costs money. Similarly, taken in the narrow sense, conservation implies real trade-offs in production. The basic premise of this Intermediate Result is to confirm that these costs and trade-offs represent wise economic choices both for the Nation and society, as well as for those living nearby or deriving their livelihoods from the products and services of the protected areas. IR 2 therefore embraces the need for better understanding of the financial underpinnings of biodiversity conservation and the need to muster real incentives for all concerned so that they value the resources base.

Any efforts to continue USAID engagement in this vibrant arena would be hollow without sustained support and financial resources for tangible activities on the ground. USAID support therefore must continue to flow largely to the MBR where it has already invested significant financial and programmatic resources. These activities will continue to function as a cradle for developing and field-testing new operational models-- social, technical, economic, and institutional-- that may be applied elsewhere in Guatemala and in the developing world. For this reason, IR 3 will focus on field based investments, activities and results.

Many of the present constraints and threats to the integrity of Guatemala's protected area system result from externalities beyond the purview of those engaged primarily in the environment/natural resources sector. Despite policy pronouncements related to biodiversity conservation, it is clear that great strides could be made in the near future by attempting to reconcile divergent policies in other sectors which affect these natural areas. Accordingly, IR 4 will put in place the wherewithal to begin and sustain the all important cross-sectoral policy dialogue that may ultimately determine the future of conservation in Guatemala.

IR 1. Strengthened Institutional Framework for an efficient process of continuing development and consolidation of SIGAP.

Lower Level Results/Activities:

- C Preparation of a Strategic Plan which highlights and addresses the needed institutional changes in terms of performance for the sustainable development of SIGAP
- C Provision of technical assistance from a small core group of high level advisors and short-term consultant services
- C Continuing phased development of an improved institutional framework for the administration of the Guatemalan System of Protected Areas (SIGAP)
- C Prepare a staffing pattern, needs assessment and human resources development plan for SIGAP affiliated organizations, at various levels
- C Support an education and training program
- C Establishment of a national protected area monitoring capability
- C Support the decentralization/deconcentration of administrative responsibility for the management of protected areas
- C Formation of selected Regional Councils for Protected Areas
- C Clarification of the roles of selected municipalities in the planning and execution of development plans related to protected areas
- C Review of the existing agreements for the management of protected areas by NGOs, other organizations and the private sector
- C Continued support to co-management operations and concessionaire options for the production/provision of goods and services within the protected areas

Performance Indicators and expected Targets:

- C Strategic Plan prepared on a timely basis and discussed and approved at a stakeholders forum
- C Clear and implementable conceptual framework for the classification of protected areas (categories, zonification, protection/use prescriptions, management options)
- C Transformation of the existing institutional structure into an organization with well understood and described levels of activity and responsibility and adequate numbers of qualified staff, secure recurrent costs funding and a career path for personnel
- C Adequate numbers of qualified staff assigned to priority field positions in selected protected areas
- C Adequacy and stability of recurrent budget allocations by GOG
- C Reports related to institutional development, on various topics: revisions to the institutional framework (organization, roles and responsibilities), staffing pattern (position description including terms of reference and qualifications required), training needs assessment, human resources development plan, etc.

- C User-friendly conservation and protected areas management information system, available to all stakeholders with indicators of its use (start a web site and track hits)
- C Annual (or biannual) report of the State of SIGAP
- C Number of fellowships available and utilized; relevant topics for thesis work; trained staff sign an agreement to continue to work for the organization (2 years for every year of long-term training); training reports from participants (a requirement for all) submitted
- C Regional Councils become operational over time (one in first year, two in second, four in third) and records of their actions

IR 2. More investment and financial incentives for conservation.

Lower Level Results/Activities:

- C Preparation of a Strategy for financing the development of SIGAP
- C Implementation of Existing Conservation Funding Mechanisms
- C Operationalize FONACON y FOPARQUES
- C Assist GoG to apply for a grant under new US law on Conservation of Tropical Forests- (H.R. 2870)
- C Utilize the SIGAP as a justification for investments related to carbon sinks
- C Program of Environmental Education and Communication
- C National Campaign on Conservation Awareness
- C Promotion of Ecotourism as a productive enterprise

Performance Indicators and expected Targets:

- C Study on the macro-economics of conservation and protected areas in Guatemala.
- C Mechanism/methodology in place for accessing external funds, and indicators of the flow of these funds for investment purposes related to conservation and management of SIGAP
- C Study on revenue potential from the use of resources and services of protected areas...
- C Leading to increasing levels of revenue capture and re-investment
- C Proposal going forth for funding under H.R. 2870
- C Balance sheet on external funding of SIGAP
- C Case studies on the micro-economics of co-management of forest resources, non-wood forest products and ecotourism demonstrate positive cost/benefit
- C Numbers of people participating in and profiting from co-management or other appropriate productive enterprises linked to conservation and wise use of protected areas
- C Continuing analysis of donor support for SIGAP and its cohesiveness vis-a-vis Strategic Plan
- C Ecotourism Development Strategy with norms related to sustainability and minimal impact

IR 3. More area within SIGAP under effective conservation programs.

Lower Level Results/Activities:

- C Consolidate on-going programs for the development of the National Parks of Sierra Lacandona, the Laguna del Tigre and Yaxha
- C Review co-management relationships with national and international NGOs
- C Support the development of 2-3 other priority protected areas, both within the MBR and beyond (including possibly a coastal/marine protected area)
- C Develop private and community sector production activities within and outside (buffer zones) the protected areas
- C Give priority attention to the prevention and control of fires within the SIGAP

Performance Indicators and Expected Targets:

- C Revised plans for each of the target protected areas, with particular attention to internal zonification and its application and enforcement
- C Agreed upon selection criteria for a national prioritization exercise
- C Choice of new areas for program investment and plans made and implemented
- C Plans translated into operational field manuals used to measure job performance of field staff
- C Staged development of infrastructure necessary for protection, visitor reception (interpretative centers and programs), and co-management

IR 4. Rational Policy Environment promoting conservation.

Lower Level Results/Activities:

- C Strengthen policies directly related to SIGAP and its development
- C Development of a coherent and transparent methodology for reconciling land and resource-use and human settlement disputes
- C Ensure conservation policy accounted for in other important sectors (petroleum, roads, agriculture, human settlements, land-use and tenure, and ecotourism)
- C Support the establishment of an effective inter-sectoral policy dialogue mechanism

Performance Indicators and Expected Targets:

- C Timely publication of a conservation policy white paper...
- C Leads to a policy agenda for the policy dialogue forum...
with resulting further policy studies, discussion, broad-based and well-informed political support and decision-making
- C The record of satisfactory dispute resolution
- C New policy statements that take into account conservation imperatives in other sectors

- C Protected Areas Conservation Policy list server established and regularly updated and used by members of the policy forum
- C Articles/programs in the media reporting on substantive sector policy decisions

IV. Relationship to USAID/G-CAP Strategy

In this case, there will be a clear linkage with SO2-- Increased Rural Household Income and Food Security which is where USAID intends to draw for resources to carry on with the activities that have been funded under the Peace Special Objective (CI, CARE, RODALE-CENTRO MAY