3. M&E during reporting

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# Country Results Report

The Biodiversity Finance Initiative (**BIOFIN**) program in **Guatemala**
**REPORTING PERIOD**: January to December 2025

January 2026

Final



BIOFIN COUNTRY PROGRAMME

**W:** https://www.biofin.org/index.php/Guatemala

BIOFIN
The Biodiversity Finance Initiative

**BIOFIN COUNTRY PROGRAMME PROFILE**

**Country**: Guatemala

**Geographic coverage**:

Country-wide, with site-specific projects in the following sub-national geographic areas:
Municipality of Guatemala (1): Guatemala.
Municipality of San Marcos (6): Ocós, Esquipulas Palo Gordo, San Cristóbal Cucho, San Marcos, San Pedro Sacatepéquez y San Rafael Pie de la Cuesta.
Municipality of Quetzaltenango (3): Concepción Chiquirichapa, Zunil y El Palmar.
Municipality of Santa Rosa (1): Taxisco.

**Programme period** (as funded by Phase II/Phase II Extended funds): January 2018 – December 2026.

**Budget** (from Phase II/Phase II Extended funds): USD 1,700,727.

# Abbreviations and Acronyms

| | |
|---|---|
| ACOFOP | Association of Forest Communities of Petén |
| AMSA | Authority for the Sustainable Management of the Amatitlán Basin and Lake Amatitlán |
| AMSCLAE | Authority for the Sustainable Management of the Lake Atitlán Basin and its Environment |
| ANACAFÉ | Guatemalan National Coffee Association |
| ANAM | National Association of Mayors |
| AZASGUA | Association of Palm Growers of Guatemala |
| BIOFIN | The Biodiversity Finance Initiative |
| CAN | High Level Committee |
| CENTRARSE | Centro para la Acción de la Responsabilidad Social Empresarial de Guatemala. |
| CODEDE | Departmental Development Council |
| CONAP | National Council of Protected Areas |
| CONADUR | National Urban and Rural Development Council |
| COPRESAM | Presidential Commission for Municipal Affairs |
| COREDUR | Regional Urban and Rural Development Council |
| COTURAP | Technical Committee on Tourism in Protected Areas |
| CT | Technical Committee |
| DAAFIM | Directorate of Assistance to the Municipal Financial Administration |
| DMM | Municipal Director for Women |
| DMP | Municipal Planning Directorate |
| EFA | Environmental Fiscal Strategy |
| FONACON | National Nature Conservation Fund |

| | |
|---|---|
| FONAGRO | National Forestry Development Fund |
| FUNDEMABV | Foundation for the Defense of the Environment of Baja Verapaz |
| GPAM | Municipal Environmental Public Spending |
| GREPALMA | Association of Palm Growers of Guatemala |
| GNP | Gross National Product |
| INAB | National Forest Institute |
| INGUAT | Guatemalan Institute of Tourism |
| MT | Technical Table |
| MAGA | Ministry of Agriculture. |
| MARN | Ministry of Environment and Natural Resources. |
| MINFIN | Ministry of Public Finance. |
| NDC | Nationally Determined Contribution. |
| OMM | Municipal Women's Office |
| ONSEC | National Civil Service Office |
| OFM | Organization and Function Manual |
| PDM-OT | Municipal Development Plan-Territorial Planning |
| BFP | Biodiversity Finance Plan |
| PANCC | National Climate Change Action Plan. |
| UNIFON | Unit of the National Fund for the Conservation of Nature |
| UNDP | United Nations Development Programme |
| RBB | Result-Based Budgeting |
| SEGEPLAN | Secretariat of Programming and Planning of the Presidency |
| SGP | Small Grants Program |
| SEP | Social and Environmental Screening Procedure |

| | |
|---|---|
| FS | Financial Solution |
| SNIP | National Public Investment System |
| SDGs | Sustainable Development Goals |
| TDR | Terms of Reference |
| UDAF | Financial Administration Unit |
| UGAM | Municipal Environmental Management Unit |
| URL | Rafael Landivar University |
| USAC | University of San Carlos of Guatemala |
| UVG | Del Valle of Guatemala University |

BIOFIN
The Biodiversity Finance Initiative

# Table of Contents

**Abbreviations and Acronyms** ..... ii2

**Table of Contents** ..... i5

**Executive summary** ..... ii6

**A. Country factsheet: the country's biodiversity finance profile and the programming approach** ..... 116

**A.1. Biodiversity finance profile** ..... 117

**A.2. National implementation context** ..... 319

**B. Overview of key results** ..... 521

**B.1. Implementation of Finance Solutions** ..... 621

**B.2. Other important activities for the implementation and promotion of BIOFIN Guatemala.** ..... 1025

B.2.1. Update of the National Biodiversity Strategy and Action Plans (NBSAP), PIR, BER, FNA, BFP. 1025

B.2.2. BIOFIN High-Level Committee (CAN) and Technical Committee (CT) meetings. ..... 1126

B.2.3. Support and Participation in BIOFIN Regional and International Initiatives ..... 1227

B.2.4. Support for National and International Advocacy on Public Finance and Biodiversity ..... 1328

B.2.5. Support other climate and nature financial solutions to contribute biodiversity conservation with other CO initiatives 1329

**C. Social inclusion stories** ..... 1429

**D. Lessons learned and adaptive measures:** ..... 1531

**E. Risks** ..... 1632

**E.1. Programmatic risks (risks to the programme)** ..... 1632

**E.2. Social and Environmental Risks (of the programme)** ..... 2035

**List of annexes and related notes** ..... 2036

**Annex 1: Indicator Tracking Table (in Excel)** ..... 2036

# Executive summary

## Progress toward targeted results

During the reporting period, BIOFIN's main results were: the design and institutionalization of the Directorate of Environmental Taxation, Climate Change, and Sustainability (Green Tax Directorate) within the Ministry of Public Finance (MINFIN); its contribution to building a common framework for green taxonomy in the water and agricultural sectors; and the mobilization of municipal resources by strengthening results-based management in 10 municipalities that have been strengthened in recent years. Additionally, the process of updating the components of the BIOFIN methodology—Institutional and Policy Analysis for Biodiversity Financing (PIR), Biodiversity Expenditure Analysis (BER), and the Biodiversity Finance Plan (BPF)—was also completed.

The institutionalization of the Green Fiscal Directorate marks a strategic advance in Guatemala's efforts to integrate sustainability into its public finance system. The Directorate will act as a key institutional actor in aligning national and international financial flows with environmental priorities, strengthening the country's capacity to mobilize green finance and respond to climate and biodiversity challenges. By integrating these tools into fiscal policy, Guatemala positions itself as a regional leader in the sustainable management of public finances. BIOFIN supported the Ministry of Finance (MINFIN) in designing the Green Fiscal Directorate and its internal coordination regarding its functions, as well as providing support for inter-institutional coordination for its formal implementation. BIOFIN has also establish tis road map to facilitate the initial implementation during 2026 and 2027.

During 2025, BIOFIN supported the Government of Guatemala in implementing the GEF Early Action Support project, which aims to align the National Biodiversity Strategy and Action Plan with the Kunming-Montreal Global Biodiversity Framework. Drafts of the Integrated Risk Assessment (PIR), Biodiversity Resource Evaluation (BER), and Biodiversity Policy Framework (PFB) were prepared. The final versions of these documents will be available during the first half of 2026.

In April, the BIOFIN High-Level Committee and Technical Committee met in Guatemala to prioritize the strategic issues for the current year. The global BIOFIN team participated in these meetings through a mission of the corresponding Regional Technical Advisors.

BIOFIN in Guatemala has catalyzed USD 4,461,677 for biodiversity financing, primarily through municipal governments, by improving results-based budgeting (USD 3.9 million) and developing projects funded through Development Councils (USD 500,000). Building on pilot work in 10 municipalities which result on scaling-up of more municipality in strategic and high value biodiversity landscapes in 2026 and 2027.

During 2025, USD 1,957,100 (a 143% increase) was catalyzed, primarily due to several municipalities improving their registration, budget allocation, and biodiversity-related projects. This includes the institutionalization of the Guide for Classifying Municipal Environmental Public Expenditure, the development of training materials (in collaboration with the PAGE

initiative), and the design of a national implementation strategy. Capacity-building efforts are underway to train municipal delegates, and plans are being made to replicate this training in new regions. These actions aim to strengthen the management of environmental public expenditure in Guatemala's 340 municipalities.

A key aspect of this period is CONAP's renewed commitment to modernizing its fee system for protected areas. Following BIOFIN's analysis and update of the existing fees in 2024, CONAP prioritized implementing the revised fee structure and initiated the legal process to update the official fee schedule. This includes plans to automate the system, enabling faster and more transparent revenue collection. During 2025, CONAP updated its internal regulations, and it is expected that, with the new institutional framework approved in 2026, support for institutional and fee modernization processes will continue, along with the reactivation of support previously provided for the redesign of the National Fund for Biodiversity Conservation (FONACON).

Below is a summary of the main results achieved in the current reporting period for each Financial Solution.

## Finance solution 1: Municipal management for effective and results-based budgeting for BD, in synergy with local communities and indigenous peoples.

During this period, a key achievement was taking the necessary steps to institutionalize the Guide for the Classification of Municipal Environmental Public Expenditure, which includes a focus on biodiversity (in collaboration with PAGE). This involved high-level technical and political processes within the Ministry of Finance (MINFIN), the Ministry of Environment and Natural Resources (MARN), and the Secretariat of Planning and Programming (SEGEPLAN). The guide will be formally adopted through a ministerial agreement by MINFIN in January 2026. As part of the implementation strategy, training sessions will be held in various regions to reach all 340 municipalities in the country.

In this regard, the European Union who is sponsoring this financial solution has coordinated with UNDP CO to establish synergies in other regions of interest and to enhance collaboration towards a field impact.  Territory will be defined in early 2026 to implement actions on RBB.

Furthermore, municipal delegates from the Ministry of Environment and Natural Resources (MARN) received training on the use of this tool, as they will play an active role in training the 340 municipalities in Guatemala. This initial training was implemented in the first half of 2025. A total of fifty-five delegates from the country's 22 departments participated in the workshop, with 38 participants (68%) being men and 17 participants (32%) women.

## Finance solution 2: Feasibility study for a debt-for-nature swap in Guatemala and the Financial Mechanism to update and institutionalize the National Fund for Nature Conservation (FONACON).

BIOFIN Guatemala developed a study on a debt-for-nature swap mechanism to mobilize new financial resources for biodiversity conservation and climate action. During 2025, the team defined the conceptual framework with CONAP, identified potential sources of debt with MINFIN, and prepared a project proposal. These efforts are part of a broader feasibility study that resulted in a basic project profile to guide future negotiations with international donors.

The initiative was designed to redirect public funds toward environmental priorities, strengthen Guatemala's financial architecture for biodiversity, and contribute to national and global sustainability goals. A key focus during this period was defining the objective of the debt-for-nature swap: to support the sustainable management of a protected area selected by CONAP. Creditor institutions were identified, including JICA (Japan International Cooperation Agency), the Inter-American Development Bank (IDB), and the International Bank for Reconstruction and Development (IBRD).

On the other hand, the financial mechanism for updating and institutionalizing the National Fund for Nature Conservation (FONACON), which BIOFIN supported in previous years, remained in 2025 awaiting institutional updating through the approval of the internal organic regulations, which CONAP drafted in 2025. Once this modernization is approved, BIOFIN expects to strengthen efforts in redesigning and implementing FONACON in the country in 2026. Specifically, it aims to promote the integration of FONACON into CONAP's administrative and financial structure, ensuring its long-term sustainability. Furthermore, operational manuals will be developed for the revamped fund, leveraging the new financial resources provided by the European Union.

## Finance solution 3: 'Updating the procedures to increase the National Council of Protected Areas' (CONAP) own income.

In 2024, BIOFIN conducted an analysis of the fees and charges established by the National Council of Protected Areas (CONAP). This study revealed that only 134 of the 329 fees approved by CONAP have any financial activity (a mere 40.7%), and these fees are available to the various protected areas in the country, across different categories such as resource use, registration, transportation and marketing, verification and monitoring, park and monument management, and others. Based on the study's findings, 24 fees were updated, and the results were formally presented to CONAP authorities. This led to the initiation of a legal process to review the complete fee schedule—that is, the technical document that defines the applicable fees and charges.

This effort is projected to increase CONAP's own revenues between 9% (USD 38,000) and 49% (USD 217,000) between 2025 and 2028. While these figures may seem modest in

absolute terms, they represent a significant strategic shift toward financial sustainability. By updating and activating a larger portion of its fee structure, CONAP is leveraging its existing assets, such as the goods and services provided within protected areas, to generate alternative sources of funding. This approach not only reduces dependence on external financing but also reinforces the "user pays" principle, where those who benefit from protected areas contribute directly to their maintenance and conservation.

Furthermore, this initiative aligns with the broader objectives of environmental tax reform, which utilizes economic instruments to support the management of biodiversity and natural resources. The legal formalization of the fee schedule ensures transparency, institutional backing, and long-term implementation. It also demonstrates how targeted technical assistance, such as that provided by BIOFIN, can translate into concrete policy and institutional changes with a measurable financial impact. This case illustrates how even relatively small financial adjustments, when strategically designed, can play a critical role in strengthening the financial resilience of conservation institutions like CONAP.

During this period, CONAP focused on the legal processes necessary to approve the fees. This process took more than eight months due to the complexity of the bureaucratic CONAP internal procedures. In 2026, BIOFIN will assist CONAP in modernizing the fees, including automating the fee schedule. This automation will enable online processing, improving billing transparency and streamlining operations.

## Financial solution 4. Strengthening the Sustainable Finance and Green Fiscal Policy Framework in Guatemala

BIOFIN Guatemala continued its efforts to strengthen the enabling environment for sustainable finance through collaboration with CentraRSE (Center for Corporate Social Responsibility Action of Guatemala).

As part of this partnership, the following technical products were developed:

- Investment Opportunities in Water Management and Sustainable Agriculture in Guatemala: Context Analysis
- Contribution to the Development of a Common Framework for a Green Taxonomy of Sustainable Finance in Guatemala
- Feedback on the Sectoral Taxonomy for the Water and Agricultural Sectors

These efforts contribute to the broader objective of aligning public and private financial flows with biodiversity and sustainability goals, reinforcing Guatemala’s leadership in green finance innovation.

Furthermore, the common framework for green taxonomy in Guatemala, to which BIOFIN contributes in partnership with PAGE and CentraRSE, aims to provide a foundation for the private banking sector to develop a portfolio of financial resources that respect the environment

and biodiversity, and that can be harmonized at a regional level. It also seeks to lay the groundwork for the green classification and taxonomy process to be developed by the public sector, under the leadership of the Green Fiscal Directorate of the Ministry of Finance (MINFIN).In 2024 and 2025, BIOFIN supported the Ministry of Finance (MINFIN) in establishing the Directorate of Environmental Taxation, Climate Change, and Sustainability (DIFACS). This new office plays a strategic role within the Ministry in facilitating the integration of environmental and climate considerations into public finance. Its key objectives include institutionalizing important components such as climate and biodiversity finance, results-based budgeting, green taxonomy, and debt-for-nature swaps.

DIFACS will also serve as a vital liaison to help the Ministry understand the importance of sustainable biodiversity, environmental, and climate change management. Furthermore, it will be responsible for developing fiscal instruments to finance these initiatives and aligning public and private financial flows, both domestic and international, with Guatemala's environmental commitments. This alignment aims to improve natural resource management and strengthen the country's response to climate change.

Comentado [AM1]: Armonizar con el título según corresponda DIFACS vs DIAFACS.

Comentado [SG2R1]: OK

During this period, BIOFIN supported the Ministry of Finance in its efforts to secure government approval for this initiative. The formal government agreement to officially establish the Directorate is expected to be finalized in the first half of 2026.

## Other Results and Looking Ahead

### Update of the National Biodiversity Strategy and Action Plans (NBSAP), PIR, BER, FNA, and BFP.

BIOFIN Guatemala has played a central role in building synergies with other CO related projects such as GEF Early Action Support project, which aims to align Guatemala's National Biodiversity Strategy and Action Plan (NBSAP) with the goals of the Kunming-Montreal Global Biodiversity Framework (GBF). This alignment is essential to ensure that national efforts contribute meaningfully to global biodiversity targets and to strengthen the country's eligibility for international biodiversity finance.

As part of this process, BIOFIN has provided technical assistance to the National Council of Protected Areas (CONAP), leading the development of three foundational documents:

- The Policy and Institutional Review (PIR), which assesses the enabling environment for biodiversity governance and identifies institutional gaps and opportunities.
- The Biodiversity Expenditure Review (BER), which analyzes current public and private spending on biodiversity, helping to identify inefficiencies and funding gaps.
- The Biodiversity Finance Plan (BFP), which proposes concrete financial solutions to close the biodiversity finance gap and mobilize sustainable resources.

To support the development of these instruments and the updating of the National Biodiversity Strategy and Action Plan (ENBSAP), BIOFIN facilitated a series of ten technical workshops in Guatemala, with the aim of gathering input from key stakeholders representing the country's 22 departments. These workshops were designed to ensure that the revised ENBPA reflects a broad and inclusive range of perspectives, priorities, and territorial contexts. Participants included representatives from government institutions, civil society, academia, and local communities.

At the departmental level, 313 people participated in the process, including 166 men (53%) and 147 women (47%). Of the total participants, 18% identified as belonging to one of the 22 Mayan people (56 people), 1% as Garifuna (3 people), and 1% as Xinca (3 people). Of all attendees, 18% were under 30 years old (55 people).

The three workshops held in Guatemala City were attended by 68 people, 50% women and 50% men, with 15% of the population identifying as belonging to a Mayan community (10 people). 16% of the attendees were under 30 years old (11 people).

In addition, a specialized workshop was held to strengthen the analysis of the Biodiversity Resource Index (BER), focusing on validating preliminary findings and identifying opportunities to improve the monitoring of biodiversity-related spending.

These documents are not only technical contributions but also strategic tools that will guide decision-making, policy formulation, and resource mobilization in the coming years. Their development reflects a whole-of-government and whole-of-society approach, ensuring the integration of biodiversity across all sectors and levels of governance.

The final versions of the PIR, BER, and BFP are expected to be completed in the first half of 2026, marking a critical milestone in Guatemala's efforts to operationalize the GBF and build a robust financial architecture for biodiversity conservation and sustainable development.

## BIOFIN High-Level Committee (CAN), Technical Committee (CT) meetings.

In April 2025, BIOFIN Guatemala, in collaboration with regional advisors, conducted CAN and CT meetings in Guatemala. These meetings were accompanied by visits to top-ranking government authorities from the Ministries of Finance (MINFIN) and Environment (MARN), as well as representatives from the General Secretariat for Planning (SEGEPLAN) and the National Council for Protected Areas (CONAP). During these discussions, requests for support for the financial solutions being developed in the country were confirmed. The key initiatives include:

- Strengthening municipal management for effective and results-based budgeting for BD, in synergy with local communities and indigenous peoples.

- Feasibility study for a debt-for-nature swap in Guatemala.
- Financial mechanism to update and institutionalize the National Fund for Nature Conservation (FONACON, for its Spanish acronym)
- Updating the procedures to increase the National Council of Protected Areas (CONAP) own income.
- Sustainable finance as a mechanism to promote biodiversity and environmental conservation in Guatemala (Finance taxonomy framework).
- Institutionalization of green finance in Guatemala.

As part of BIOFIN Guatemala's CAN and CT, the work plan for 2025 was presented and endorsed.

## Support and Participation in BIOFIN Regional and International Initiatives

During the first half of 2025, BIOFIN Guatemala provided strategic support to regional and international initiatives, enhancing the country's involvement in key technical and policy dialogues.

In May, the team actively participated in the UNDP BIOFIN 6th Global Conference held in Santiago, Chile, from May 6 to 8. A poster on results-based budgeting for biodiversity was presented, highlighting Guatemala's experience in integrating biodiversity into fiscal planning. The team also supported the facilitation of discussion tables developed as part of the following thematic sessions:

- 2.4: Finance Solutions Marketplace
- 2.3: Walking Through the BIOFIN Journey
- 3.1: Transforming Economic Drivers for Biodiversity

Additionally, a technical presentation was prepared on the Green Fiscal Office and updated biodiversity-related fees, to be shared at the Environment and Development Convention in Cuba.

BIOFIN Guatemala also participated in the 11th Regional Dialogue on Finance for Biodiversity, held in Mérida, Yucatán, from November 4 to 6, 2025. A presentation was given in the session on biodiversity financing plans, where the financial solution “Green Fiscal Office” was presented by the representative of the Ministry of Public Finance (MINFIN), in the session Unlocking subnational financing for biodiversity.

## Support for National and International Advocacy on Public Finance and Biodiversity

BIOFIN Guatemala provided key technical and logistical support to strengthen institutional participation in strategic dialogues on public finance and sustainability.

In January 2025, support was provided for the participation of the Ministry of Public Finance (MINFIN) representative in the international "2025 Dialogue on Public Finance and the Sustainable Development Goals", held at Columbia University in New York. BIOFIN contributed to both logistical arrangements and the development of the institutional presentation, which highlighted Guatemala's progress in sustainable finance and biodiversity.

Additionally, BIOFIN participated in the national workshop on "Results-Based Management in Local Governments", organized by MINFIN under the Environmental Fiscal Strategy. The event served as a platform to share experiences and tools for strengthening environmentally focused planning and budgeting at the municipal level.

## Prospects for the future:

The BIOFIN program team, along with the UNDP country office in Guatemala, recognizes the importance of integrating women and indigenous peoples from a socioeconomic perspective. Their involvement is crucial for the conservation and sustainable use of biodiversity, making their effective inclusion essential. As a result, this perspective will be integrated into the SF Well-being and biodiversity framework through mechanisms that manage biodiversity and traditional knowledge.

Additionally, sustainable finance has been promoted at the national level through financial solutions aimed at reducing the economic gap between income and expenditure in biodiversity management. This initiative seeks to facilitate the transition away from harmful activities towards practices that are neutral or beneficial for both nature and the climate.

Comentado [AM3]: Mismo comentario sobre SF.

The priorities of the BIOFIN initiative align with the objectives of the current general policy of the Government of Guatemala. The focus is on fostering a prosperous, equitable, and environmentally sustainable human economy that respects nature and promotes environmental equity.

I In SF 1 (Strengthening municipal management for effective and results-based budgeting for biodiversity), in 2026, BIOFIN Guatemala will continue to support the institutionalization and implementation of the Municipal Environmental Public Expenditure Classification Guide, so that training can be carried out in the different regions prioritized by MINFIN, reaching the 340 municipalities in the country.

In SF 2 (Feasibility study for a debt-for-nature swap in Guatemala and Financial mechanism for the updating and institutionalization of the National Fund for Nature Conservation – FONACON), in 2026, BIOFIN Guatemala will transfer the basic profile document of the project

that derived from the initial study of Debt-for-Nature Swap, and will work on the implementation of the redesign of FONACON.

Under SF 3 (Update CONAP´s rate chart), CONAP is expected to approve a government agreement to update its service fees during the second half of 2025. Once adopted, technical assistance will be provided to design and implement an automated service platform, strengthen inter-institutional coordination, and foster strategic alliances. These actions, supported by EU funds, aim to improve CONAP's operational and financial efficiency, thereby contributing to the effective conservation of biodiversity.

Under SF4 (Green fiscal, climate change and sustainability Office in Guatemala -Sustainable Finance-), significant work is expected to be carried out within the Green Fiscal Directorate at the Ministry of Finance (MINFIN), both before and after its institutionalization in 2026. Specifically, the baseline for the Environmental Fiscal Strategy (EFA) is expected to be established in the first four months of 2026 as input for the Green Fiscal Directorate, along with ongoing support and technical assistance. The following actions are planned:

- Review of the EFA and its alignment with the mandate and functions of the Directorate of Environmental Finance and Conservation (DIFACS).
- Development of a short-, medium-, and long-term work plan.
- Provision of technical support for the development of a national green taxonomy and other areas of strategic interest to MINFIN related to DIFACS.

Actions on other Financial Solutions in 2026: a. Well-being and biodiversity through agrobiodiversity management mechanisms and traditional knowledge: During 2026, a baseline will be established and the first actions will be implemented for the implementation of bio-businesses and sustainable tourism in protected areas and marine-coastal zones of Guatemala; and b. Sustainable Biodiversity Financing (funds to finance biodiversity): in 2026, it is planned to strengthen communities/municipalities with a majority indigenous population to formulate and present biodiversity financing projects.

# A. Country factsheet: the country's biodiversity finance profile and the programming approach

## A.1. Biodiversity finance profile

### Biodiversity profile

Guatemala is a mega biodiverse country with 14 life zones, 9 biomes, 7 terrestrial ecoregions, 46 natural communities, and 13,866 species (1,988 fauna, 10,317 flora, and 1,561 aquatic species, not counting invertebrates). Another important aspect is that the country is part of one of the centers of mega biodiversity of cultivated plants, where species such as corn, beans, amaranth, pumpkins, and chili peppers originated. 65% of the land is suitable for forestry according to its biophysical conditions.

However, gross deforestation increased from 100,000 ha per year in 2001-2006 to more than 132,000 ha in 2006-2010. This data reveals that the annual deforestation rate is one of the highest in Latin America at 3.4%. In the last 50 years forest coverage decreased from 67% to 29%.

To mitigate this problem, efforts are being developed for the conservation and sustainable management of forests and associated biodiversity. An example is the Guatemalan System of Protected Areas SIGAP, which is administered by the National Council of Protected Areas and civil society organizations, as well as the Forestry Incentives developed by the National Forest Institute. However, the resources allocated to develop their activities are limited.

In recent years, the effects of climate change, such as the increase in temperature and the ocean acidification of Guatemala's oceans, have become more evident. It has affected the loss of oxygen and has altered different types of life, reducing the capacity of the oceans to provide environmental resources, such as aquatic species, among others. In addition to this, human activities, such as solid waste pollution, harm the survival, growth, behavior, and reproduction of aquatic species. These environmental changes impact the potential of the oceans to provide environmental services, such as fish production that benefit communities.

### The country's commitment to the protection of its biological diversity and the prevention of its loss

In Guatemala, there are several stakeholders involved in biodiversity management, but few promoters of biodiversity protection. According to the Institutional Review and Policy Analysis[1], two sectors promote positive impacts on biodiversity conservation according to their legal functions. These are public and private sectors' institutions.

[1] Proyecto BIOFIN Guatemala. 2016. Revisión Institucional y Análisis de Políticas. Editor: Oscar Estuardo Villagran Garcia. 41p.

Among Public Entities: Ministry of Environment and Natural Resources (MARN), Ministry of Agriculture, Livestock and Food (MAGA), National Forest Institute (INAB), and National Council of Protected Areas (CONAP) are directly related with the four categories[2] of expenditure. Conversely, Ministry of Communications, Infrastructure, and Housing (MICIV) and Ministry of Energy and Mines (MEM) are related to negative impact to biodiversity and the four categories of expenditure.

For private entities: NGOs have a positive impact, as biodiversity and environmental management are part of their objectives. Some associations related to basic and export products, such as AZASGUA (sugar), GREPALMA (African palm), and ANACAFE (coffee), seek to mitigate their impacts on the environment and biodiversity, even going beyond the commitments of current environmental regulations.

It is important to note that biodiversity-related issues are also included in the National Development Plan: “K’atun, Our Guatemala 2032”, the General Government Policy 2020-204, the Protected Areas Law, the Decree Number 4-89, the Fiscal Policy, the National Climate Change Action Plan (PANCC) and the National Biodiversity Plan (PNB) and Nationally Determined Contributions (NDC).

It is also aligned with the strategic results of the UNDP Country Program Document (CPD) for Guatemala (2022 – 2025): 1. To advance in the eradication of poverty in all its forms and dimensions; 2. Accelerate structural transformations for sustainable development; and 3. Strengthening resilience to shocks and crises.

In addition to the country's current commitments to biodiversity protection, it is essential to note that the National Biodiversity Policy, the National Biodiversity Strategy and Action Plan, and the National Climate Change Action Plan must be updated and aligned with the new Kunming-Montreal Global Biodiversity Framework.

This framework has the objective of transforming society's relationship with biodiversity, aligning with the 2023 Agenda for Sustainable Development. Consideration of this new framework is crucial to ensure the coherence and effectiveness of biodiversity initiatives.

### The country’s financial profile

Due to the country’s social and economic conditions, national priorities are focused on: poverty reduction and social protection, access to health services, employment and investment, education, food and nutritional security, institutional strengthening, security and justice, and land management.

For the period 2010-2014, the financing required to develop sustainable biodiversity and climate change management actions far exceeded national and municipal public spending.

[2] 1) Mainstreaming and Sustainable use, 2) Protection, 3) Restoration and 4) Access and Benefit Sharing.

National spending on biodiversity was USD 331.16 million. Sixty-seven percent came from the public sector, and the remainder was implemented by the private sector. This amount represented 0.14% of the Gross Domestic Product. The most significant source of financing came from current government revenues (USD 145.3 million).

For the period 2015-2024, spending on biodiversity has shown a sustained nominal growth trend, but this is insufficient to adequately meet biodiversity conservation needs. Total spending on biodiversity, including central government, municipal government, and international cooperation, amounted to USD 1.09 billion.

The analysis in Guatemala reveals that the country allocates limited resources to biodiversity conservation relative to its status as a megadiverse nation. During this period, spending on biodiversity represented only 0.73% of the total general government budget. This budget allocation is insufficient considering the country's biological wealth and the increasing pressures on its ecosystems.

Direct and indirect spending on biodiversity by the central government (including entities such as ministries and secretariats, and decentralized and autonomous entities such as INAB, CONRED, USAC, INGUAT and others) represented approximately USD 78 million in 2015, while in 2024 it was USD 110 million, signifying a growth of 41% during the decade, equivalent to the accumulated inflation rate during the same period (42%), so spending on biodiversity has remained constant in real terms.

Direct and indirect spending on biodiversity by local governments for the period 2016-2024 increased from USD 18 million to USD 21 million, representing a growth of 13% over the last decade, so spending on biodiversity at the municipal level has lost relevance in real terms, when compared to the inflation rate (39%).

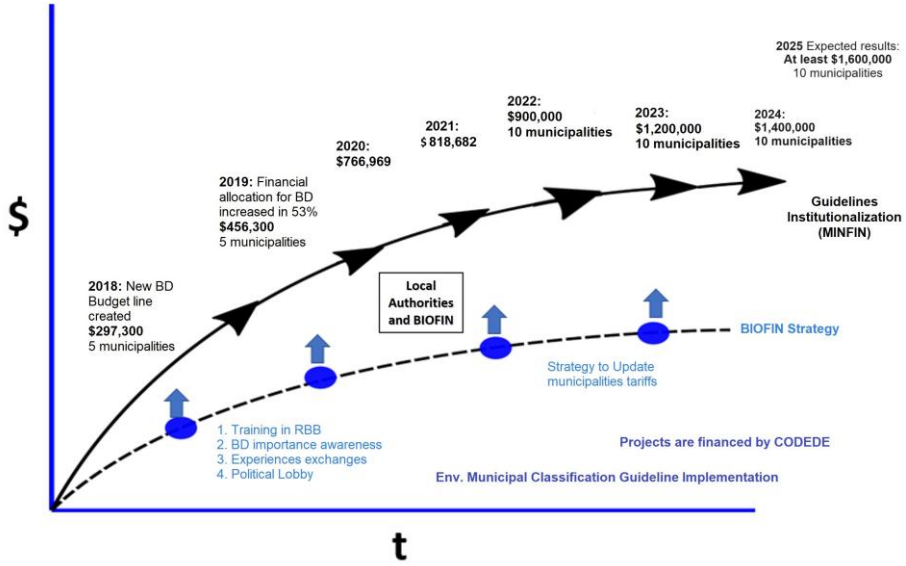
[3]National implementation context

As part of the Biodiversity Finance Plan (BFP) (UNDP, 2016) and Climate Change Financial Strategy (UNDP, 2018), BIOFIN Phase II aims to strengthen national efforts in the review of existing legal and institutional frameworks, including mechanisms to identify potential areas and sectors to generate financial resources for the conservation and sustainable use of biodiversity and contribute to the country’s resilience to climate change.

Through the BFP, opportunities were identified to increase, optimize, and align environmental spending in different institutions and sectors. It was also observed that, at the national level, the main institutions that allocate and execute financial resources for biodiversity are: MARN,

MAGA, CONAP, INAB, AMSA, and AMSCLAE. MAGA and MARN have significant percentages of spending on biodiversity and climate change issues.

BIOFIN team and the UNDP Guatemala country office identified that the municipalities allocate environmental conservation and management budgets. Therefore, the BIOFIN team and the UNDP Guatemala country office decided to support Results-Based Budget activities in 10 municipalities to enhance Biodiversity Management. In 2021, BIOFIN developed a Municipal




Environmental Public Expenditure Classification Guide (GPAM) that made it possible to review municipal budgets. This guideline was used to establish a GPAM baseline for the years 2017-2022. This baseline allowed BIOFIN to monitor future biodiversity investments in the 10 municipalities participating in the technical support process provided by BIOFIN. The results achieved and the projection for 2025 are presented below in Figure 1~~Figure 1~~:

**Figure 1**: Results-Based Budgeting in prioritized municipalities, for the period 2018 – 2025.

Source: Guatemala BIOFIN Team.

By 2025, the expectation was exceeded, as spending on biodiversity reached approximately USD 1,957,100, mainly due to the inclusion of municipalities that integrated activities and projects related to biodiversity management in their territory.

BIOFIN and its Technical (TC) and High Level (CAN) committees have focused on developing and institutionalizing financial solutions with both the private sector and central and local governments to strengthen integrated biodiversity management. In addition, BIOFIN Guatemala aims to include new private sector stakeholders related to the United Nations Global Compact[4].

The BFP considered criteria for the identification of areas and key sectors with potential for the generation of biodiversity resources:

(i) Ease of negotiation with institutions and sectors.
(ii) Existence of a legal framework that facilitates the implementation of processes.
(iii) High probability of generating new revenues.
(iv) Significant flow of resources for conservation.

Furthermore, it was also considered that the financial solutions validated, have responded to increasing public investment and spending and reducing the economic gap in biodiversity management, which contributes to biological balance and population development. Therefore, the work with the Ministry of Public Finances (MINFIN) will continue as a fundamental entity to increase the public budget dedicated to biodiversity.

On the other hand, the Guatemalan Constitution states that the municipalities are responsible for natural resources management at the local level and related budgets which defines the importance of implementing actions with municipal authorities, as well as with the Secretariat of Planning and Programming of the Presidency (SEGEPLAN), as the governing institution in the budget of the Republic and secretary of CODEDE and the Ministry of Public Finances (MINFIN).

On this basis, MARN, MAGA, CONAP, INAB, MINFIN, municipalities, and the private sector were identified as key stakeholders and beneficiaries of the Financial Solutions. Phase I allowed the identification of key areas and sectors, resulting in the development of the current finance solution aimed at the private sector, central government, and local governments to mobilize an estimated total of one million dollars, which will contribute to reducing the biodiversity finance gap by 2% by 2023.

## B. Overview of key results

The following sections describe the progress of the national program concerning the expected results.

[4] Global Compact: is a request to the business and other sectors to align their operations and strategies to ten Universal Principles in the areas of Human Rights, Labor Rights, Environment, and Anti-Corruption. Companies and other stakeholders assume shared responsibility for a better future through sustainability practices. https://pactoglobal.com.gt/

## B.1. Implementation of Finance Solutions

**Finance Solution 1: Municipal management for effective and results-based budgeting for biodiversity, in synergy with local communities and indigenous peoples.**

BIOFIN Guatemala made significant progress in institutionalizing the Municipal Environmental Public Expenditure Guide, a key tool that integrates biodiversity considerations into local planning and budgeting. This guide is complemented by the development of a Practical Guide for the Classification of Municipal Environmental Public Expenditure, which provides clear application examples to support municipal technicians in correctly classifying environmental expenditures. Together, these tools aim to strengthen municipal capacities in planning, managing, and prioritizing public investment in biodiversity conservation.

As part of this institutionalization process, BIOFIN provided technical assistance to the Ministry of Public Finance (MINFIN) to secure favorable endorsements from the Ministry of Environment and Natural Resources (MARN) and the Secretariat of Planning and Programming (SEGEPLAN). These endorsements are essential for the guide to be formally adopted as part of MINFIN's official training materials. While endorsements from MINFIN and SEGEPLAN have been obtained, MARN's opinion is still pending.

To support implementation, BIOFIN collaborated with the Directorate for Assistance to Municipal Financial Administration (DAAFIM) of MININFIN, and personnel from MARN, to design a national training program aimed at reaching all 340 municipalities in Guatemala. As a preparatory step, a national workshop was held with 55 municipal delegates from the country's 22 departments—38 men (68%) and 17 women (32%)—who were trained to lead the rollout of the guide in their respective regions. These delegates will play a key role in cascading the training nationwide, with the full implementation phase expected to begin in the first half of 2026.

This initiative is supported by the European Union, which provides financial resources for this solution. During the reporting period, meetings were held with the EU to define priority areas of work. Although no final agreement was reached during this period, implementation in the agreed areas is expected to begin in the second half of the year.

Looking ahead, under SF, BIOFIN will continue consolidating agreements with the ten pilot municipalities that have already begun applying results-based budgeting methodologies, as well as the consolidation and institutionalization of the Municipal Environmental Public Expenditure Classification Guide.

**Finance solution 2: Feasibility study for a debt for nature swap in Guatemala.**

Under this finance solution, BIOFIN Guatemala worked to develop a debt-for-nature swap mechanism aimed at mobilizing new financial resources for biodiversity conservation and climate action. This financial solution is designed to increase the availability of funds by leveraging central government resources that are not typically allocated to environmental priorities, while also contributing to the reduction of national debt.

One of the key milestones during this period was reaching an agreement with the National Council of Protected Areas (CONAP) on the conceptual approach and identifying preliminary

geographic and thematic areas where the debt-for-nature swap could be implemented. The selected objective is to support the sustainable management of a protected area designated by CONAP.

The preliminary definition in the initial project covers five (5) protected areas and six components (ecological restoration, other effective area-based conservation measures, tourism, circular economy, payment for environmental services, and biological corridors and blue carbon), whose initial amount was USD 15 million.

Simultaneously, potential sources of eligible debt were identified in coordination with the Ministry of Public Finance (MINFIN), laying the groundwork for the financial structuring of the mechanism. Although the feasibility study is still ongoing, preliminary creditors include JICA (Japan International Cooperation Agency), the Inter-American Development Bank (IDB), and the International Bank for Reconstruction and Development (IBRD). This confirms the intended destination of the funds and sets the stage for the next phase of technical and legal analysis.

These efforts culminated in the development of a preliminary proposal, which will serve as the foundation for a basic project profile. This profile will be a strategic tool to align technical, financial, and policy elements necessary for advancing the initiative.

In parallel, initial steps were taken to define the next phase of the process. These include finalizing the feasibility analysis, conducting stakeholders mapping, and preparing a lobbying strategy to engage potential donor governments. These actions will be critical for transitioning into the negotiation and approval phase of the mechanism.

**Finance solution 3: Updating the National Council of Protected Areas' (CONAP) fee chart.**

BIOFIN Guatemala supported the National Council of Protected Areas (CONAP) in modernizing and updating its procedures for generating own-source revenue. This financial solution aims to strengthen CONAP’s financial sustainability by revising its tariff structure and improving the efficiency of revenue collection mechanisms.

In 2024, BIOFIN conducted a comprehensive analysis of CONAP’s tariff system, revealing that only 134 of the 329 tariffs listed in the official tariff book, just 40.7%—were actively in use. Based on this analysis, 24 tariffs were updated using a methodology that considered inflation, operational costs, revenue projections, and indexing tools. The results were formally presented to CONAP authorities, leading to the drafting of a legal agreement to revise the full tariff book. During the first semester of 2025, CONAP focused on completing the legal procedures required to approve the updated tariffs. This process has been complex and time-consuming,

taking over eight months due to bureaucratic requirements. As a result, the implementation of the updated tariff structure and related modernization actions remains pending until the legal agreement is finalized.

Once approved, the updated tariffs are projected to increase CONAP's own-source revenues by between 9% (USD 38,000) and 49% (USD 217,000) between 2025 and 2028. While modest in absolute terms, these increases represent a strategic shift toward financial autonomy and the application of the "user-pays" principle, where beneficiaries of protected area services contribute directly to their conservation.

During the first half of 2026, BIOFIN will support CONAP in implementing the updated tariff structure once the legal process is completed. This includes designing an automated service platform to enable online processing, improving transparency, and enhancing operational efficiency.

**Financial Solution 4: Strengthening the Sustainable Finance and Green Fiscal Policy Framework.**

With technical support from the BIOFIN initiative and the UNDP Country Office, the Ministry of Finance (MINFIN) has taken decisive steps toward creating a specialized unit: the Directorate of Environmental Taxation, Climate Change, and Sustainability (DIFACS). This unit will serve as a fundamental pillar for integrating sustainability into the country's public finance system, contributing to the promotion of sustainable natural resource management and climate resilience through fiscal policy.

Substantial progress was made in the institutionalization process in 2025. Notably, DIFACS's programmatic, administrative, and technical structure was formally approved by the National Civil Service Office (ONSEC) and the Attorney General's Office of Guatemala. This approval marks a crucial milestone, as it allows for the official establishment of the Directorate within MINFIN's organizational structure, scheduled for the first half of 2026.

DIFACS is expected to become an institutional actor. It will also act as a liaison between national and international stakeholders, helping to align public and private financial flows with Guatemala's environmental and climate commitments.

During 2026, BIOFIN will support the Ministry of Finance (MINFIN) in the following tasks: 1. Analyze the Environmental Assessment Framework (EFA) to ensure its alignment with DIFACS's mandate and functions. 2. Develop a work plan for the Directorate that includes short-, medium-, and long-term objectives. 3. Provide technical support for the creation of a national green taxonomy.

Furthermore, during the reporting period, BIOFIN Guatemala, in partnership with PAGE, advanced its efforts to strengthen the enabling environment for sustainable finance through a strategic alliance with CentraRSE (Center for Corporate Social Responsibility Action of Guatemala). This collaboration has been fundamental in supporting the development of a national green taxonomy aligned with biodiversity and climate objectives.

The main achievements and results are: a. Analysis of investment opportunities in water management and sustainable agriculture in Guatemala; b. the Common Framework for a Green Taxonomy. BIOFIN provided technical input to the national process led by the Superintendency of Banks (SIB), the IFC, and the Sustainable Finance Advisory Council (CCFS), ensuring the integration of biodiversity and green economy criteria within the taxonomy framework; and c. sectoral taxonomies for Water and Agriculture.

This common framework for a green taxonomy in Guatemala, to which BIOFIN contributes in partnership with PAGE and CentraRSE, aims to provide a foundation for the private banking sector to develop a portfolio of financial resources that are environmentally and biodiversity-friendly and can be harmonized regionally. It also seeks to lay the groundwork for the green classification and taxonomy process to be developed by the public sector, led by the Green Fiscal Directorate of the Ministry of Finance (MINFIN).

**Financial Solution 5: Promoting Well-being and Biodiversity through Traditional Knowledge Management Mechanisms.**

CONAP indicated to BIOFIN its interest in seeking support solutions for conservation projects it is implementing in the country, particularly the Life Web 2 project, and complementing these efforts with bio-economy and sustainable tourism solutions. The country's marine and coastal zones have also been identified as a strategic area.

In 2026, a diagnostic study is planned to begin in order to identify the most effective financial solution for subsequent implementation in Guatemala's marine and coastal zones (Pacific and Atlantic). This study will consider the efforts previously undertaken by the UNDP office in Guatemala, as well as the work carried out by entities such as CONAP, MARN, and MAGA, among others.

## B.2. Other important activities for the implementation and promotion of BIOFIN Guatemala.

### B.2.1. Update of the National Biodiversity Strategy and Action Plans (NBSAP), PIR, BER, FNA, BFP.

As part of the technical assistance provided by BIOFIN to the National Council of Protected Areas (CONAP), significant progress has been made in updating Guatemala's National Biodiversity Strategy and Action Plan (NBSAP) to align with the Kunming-Montreal Global Biodiversity Framework (GBF). This support is part of the Global Environment Facility (GEF) Early Action Support project.

The main stakeholders involved in this effort include CONAP, the Ministry of Environment and Natural Resources (MARN), the Secretariat of Planning and Programming (SEGEPLAN), and civil society organizations. A whole-of-government and whole-of-society approach has been adopted to ensure broad ownership and sustainability of results.

Ten national-level technical workshops were conducted to generate inputs for the updated NBSAP, with the participation of 286 individuals from across the country—197 men (69%) and 89 women (31%)—ensuring gender inclusion and regional representation. These workshops served to integrate diverse perspectives into the formulation of national biodiversity targets.

In addition, a specialized workshop was held to strengthen technical capacities related to the Biodiversity Expenditure Review (BER), enhancing understanding of biodiversity-related financial flows. This capacity-building effort is particularly relevant for ensuring that biodiversity is mainstreamed into national and subnational financial planning.

Within this framework, BIOFIN led the development of three foundational documents:

- The Policy and Institutional Review (PIR), which assesses the enabling environment for biodiversity governance.
- The Biodiversity Expenditure Review (BER), which analyzes current public and private spending on biodiversity.
- The Biodiversity Finance Plan (BFP), which outlines concrete financial solutions to close the biodiversity finance gap.

These documents are not only technical inputs but also strategic tools that will guide decision-making and resource mobilization in the coming years. Their development reflects a firm commitment to transparency, inclusion, and alignment with global biodiversity goals. The final versions of the Biodiversity Investment Plan (BIP), Biodiversity Resource Strategy (BER), and Biodiversity Finance Plan (BFP) are expected to be completed in the first half of 2026, marking

a critical milestone in Guatemala's efforts to operationalize the Biodiversity Finance Framework (BFF) and strengthen the financial architecture for biodiversity conservation.

Looking ahead, key activities planned for the next period include the final validation of the Biodiversity Policy (BFP) with national stakeholders, the formal adoption of the updated National Biodiversity Strategy and Framework (NBSF), and the development of a roadmap for implementing the identified financial solutions. These steps will further solidify Guatemala's leadership in integrating biodiversity into national planning and finance systems.

### B.2.2. BIOFIN High-Level Committee (CAN) and Technical Committee (CT) meetings.

As part of its institutional engagement strategy, BIOFIN Guatemala convened the CAN and CT meetings on April 22 and 23, 2025, during a mission by BIOFIN's regional advisors. These meetings brought together high-level representatives from key government institutions, including MINFIN, MARN, SEGEPLAN, and CONAP.

Institutional visits were also conducted with the Deputy Ministers of Financial Administration and Revenue and Fiscal Evaluation at the Ministry of Finance (MINFIN), the Deputy Minister of Environment at the Ministry of Environment and Natural Resources (MARN), and the Executive Undersecretary of the National Council of Protected Areas (CONAP). These meetings helped consolidate political support and technical alignment for BIOFIN's current and future work in Guatemala.

The main outcomes of the CAN and CT meetings included: a. MINFIN: Strengthening the operational and strategic framework of the Directorate of Biodiversity and Community Development (DIFACS); b. MARN: Promoting results-based management approaches for municipal spending on biodiversity; and c. CONAP: Supporting the development of a debt-for-nature swap proposal, improving revenue generation through the digitization of services, restructuring the National Fund for Nature Conservation (FONACON), and promoting bioeconomy and green business initiatives within the framework of the Life Web 2 project.The meetings served as a platform to reaffirm inter-institutional commitments and define strategic priorities for implementing BIOFIN's financial solutions.

These results reflect the growing institutional appropriation of the BIOFIN agenda and the increasing integration of biodiversity and climate finance into public policies and fiscal planning frameworks in Guatemala.

### B.2.3. Support and Participation in BIOFIN Regional and International Initiatives

These results reflect the growing institutional appropriation of the BIOFIN agenda and the increasing integration of biodiversity and climate finance into public policies and fiscal planning frameworks in Guatemala.

BIOFIN Guatemala's contributions to the conference included:

- Poster Presentation: The team presented a poster on results-based budgeting for biodiversity, showcasing Guatemala's experience in integrating biodiversity considerations into fiscal planning and public budgeting processes. The poster highlighted the use of thematic budget classifiers and the alignment of public spending with biodiversity outcomes.
- Support Thematic Sessions: The team also supported the facilitation of discussion tables developed as part of the following thematic sessions:
    - Session 2.4 – Finance Solutions Marketplace: Sharing Guatemala's experience in designing and implementing innovative finance solutions.
    - Session 2.3 – Walking Through the BIOFIN Journey: Presenting the country's progress and lessons learned throughout the BIOFIN implementation process.

In addition to the conference, the team prepared a technical presentation on the Green Fiscal Office and updated biodiversity-related fees, which is scheduled to be presented at the Environment and Development Convention in Cuba. This presentation aims to share Guatemala's progress in institutionalizing environmental taxation and enhancing biodiversity-related revenue mechanisms.

BIOFIN Guatemala also participated in the 11th Regional Dialogue on Finance for Biodiversity, held in Mérida, Yucatán, from November 4 to 6, 2025. A presentation was given in the session on biodiversity financing plans, where the financial solution "Green Fiscal Direction" was presented by the representative of the Ministry of Public Finance (MINFIN), in the session Unlocking subnational financing for biodiversity.

Through these engagements, BIOFIN Guatemala reaffirmed its commitment to regional leadership and knowledge exchange in the field of sustainable finance. The country's active participation in these forums continues to strengthen its technical capacity, foster strategic partnerships, and position Guatemala as a reference in biodiversity finance innovation.

### B.2.4. Support for National and International Advocacy on Public Finance and Biodiversity

BIOFIN Guatemala continued to play a strategic role in promoting the integration of biodiversity and sustainability into public finance by supporting institutional participation in high-level national and international advocacy spaces. These efforts have helped position Guatemala as an active contributor to global dialogues on sustainable development and have strengthened the technical and political foundations for advancing biodiversity finance at home.

In January 2025, BIOFIN provided comprehensive support for the participation of a representative from the Ministry of Public Finance (MINFIN) in the international event "2025 Dialogue on Public Finance and the Sustainable Development Goals", held at Columbia University in New York. This high-level forum brought together finance and planning authorities from around the world to discuss innovative approaches to aligning public finance systems with the 2030 Agenda.

BIOFIN Guatemala contributed both logistical coordination and technical inputs for the institutional presentation delivered by MINFIN. The presentation highlighted Guatemala's progress in mainstreaming biodiversity into fiscal policy. This participation helped raise Guatemala's profile as a regional leader in sustainable public finance.

At the national level, BIOFIN also participated in the Workshop on Results-Based Management in Local Governments, organized by MINFIN under the framework of the EFA. The event brought representatives from civil society and public institutions to explore tools and methodologies for integrating environmental considerations into local planning and budgeting processes. BIOFIN contributed by sharing experiences and technical guidance on how results-based management can be leveraged to improve biodiversity outcomes at the subnational level.

These advocacy efforts reflect BIOFIN Guatemala's commitment to strengthening institutional capacities and fostering dialogue across sectors and governance levels. By supporting both international engagement and local implementation, BIOFIN continues to bridge the gap between global commitments and national action in biodiversity finance.

### B.2.5. Support other climate and nature financial solutions to contribute biodiversity conservation with other CO initiatives

In close collaboration with CO Climate Promise Initiative and BIOFIN, CO has addressed technical efforts to support National Climate Change Fund (FONCC) focusing in developing the strategic investment priorities as well as to design the project cycle guideline. This technical assistance will mainstream nature, climate and biodiversity national priorities in order to increase public financial resources. FONCC will mobilize USD 6.5 M at national level.

# C. Social inclusion stories

Social inclusion in biodiversity management and conservation is essential to ensure that all individuals—regardless of gender, ethnicity, or socioeconomic status—are recognized as integral to the ecosystems they inhabit. Biodiversity provides vital environmental services, and inclusive approaches strengthen collective commitment to sustainable management, enabling the emergence of locally grounded solutions for conservation and climate adaptation.

In Guatemala, structural inequalities persist in land ownership, particularly affecting indigenous women. Data show that 70% of agricultural properties nominally owned by indigenous women are managed by male-headed households, and only 15% of these women hold individual land titles. These figures underscore the urgent need to address gender and social disparities in access to natural resources, which are critical for achieving equity and sustainability in biodiversity governance.

Guatemala is a mega-diverse country, not only in terms of its ecosystems but also its cultural and linguistic richness. The country officially recognizes 22 indigenous linguistic communities, with major groups including the K'iche', Kaqchikel, Mam, Q'eqchi', and Poqomam, primarily located in the western highlands. Indigenous peoples play a central role in biodiversity stewardship, and their inclusion in financial and conservation strategies is vital.

During the reporting period, the BIOFIN Guatemala team, in coordination with the UNDP country office, implemented targeted actions to promote social inclusion within biodiversity finance initiatives. These efforts aimed to enhance the participation of women and indigenous communities in decision-making processes and project design.

Key activities included:

- Intentional inclusion of women in the technical workshops held for the update of the National Biodiversity Strategy and Action Plan (NBSAP), as well as in training sessions for municipal technical staff from the Ministry of Environment and Natural Resources (MARN) on the use of the Municipal Environmental Expenditure Guide.
- Engagement of stakeholders from all 22 departments of Guatemala through ten national-level workshops designed to gather inputs for the NBSAP update. These workshops ensured territorial representation and diversity of perspectives, with a deliberate emphasis on the inclusion of indigenous groups and authorities, as well as women's organizations and representatives, to ensure that the revised strategy reflects the voices and priorities of historically underrepresented populations.
- It is estimated that 5% of the indigenous population will benefit from municipal project proposals developed in 2024, which focus on natural capital management, environmental governance, and sustainable resource use in ten prioritized municipalities.

Looking ahead, BIOFIN Guatemala will continue to integrate gender and cultural inclusion across all financial solutions. Depending on the nature of each initiative, the participation of women, men, indigenous peoples, and other social groups will be actively promoted in the design and implementation of biodiversity-related actions. This approach seeks not only to empower marginalized populations but also to improve living conditions in areas where BIOFIN provides technical support.

In this context, the upcoming financial solution focused on bio-business for agrobiodiversity and the valuation of traditional knowledge will promote inclusive and equitable development. By supporting sustainable tourism and bio-business initiatives, this solution will highlight the contributions of women and indigenous communities, aiming to conserve biodiversity, preserve cultural heritage, and enhance community resilience to environmental and economic challenges.

## D. Lessons learned and adaptive measures:

The implementation of BIOFIN's financial solutions in Guatemala has generated valuable lessons that inform future actions and highlight the importance of strategic coordination, institutional engagement, and adaptability. These insights have emerged from direct interaction with stakeholders at national and local levels and from the operational experience of deploying technical assistance in diverse contexts.

To strengthen biodiversity management, BIOFIN has prioritized building strategic alliances with both the private sector and central and local government institutions. For example, in the case of the financial solution focused on strengthening municipal management for results-based budgeting for biodiversity, early engagement with municipal leaders, including mayors, directors, and technical staff, proved essential for securing commitment and ensuring that the objectives of the initiative were well understood and supported. Local governments recognized the value of improved financial management, which opened the door to adopting new practices for environmental protection. Frequent and proactive communication with newly elected authorities helped maintain momentum and prevented disruptions in implementation. Flexibility in technical assistance was also necessary to adapt to changing leadership and institutional dynamics, including updating training materials and induction processes. Strengthening alliances with central and local governments remains a priority to ensure alignment and sustained commitment across all levels of governance.

In the financial solution focused on the feasibility study of a debt-for-nature swap in Guatemala, it became evident that achieving the proposed objectives required closer coordination between the Ministry of Public Finance (MINFIN) and the National Council of Protected Areas (CONAP). Although both institutions aim to develop this financial solution, limited communication between them posed challenges. A key lesson was the importance of establishing formal communication channels, with BIOFIN acting as a facilitator to promote dialogue, avoid duplication of efforts, and ensure that the financial solution delivers tangible benefits for

biodiversity and institutional stakeholders. Additionally, continuity in focal points proved essential. Changes in designated contacts within MINFIN affected the inclusion of previously agreed technical components, resulting in delays due to the need to revalidate scopes and budgets through new bureaucratic procedures.

Regarding the financial solution for the creation of the Green Fiscal, Climate Change, and Sustainability Office (DIFACS), the establishment of a new Directorate within MINFIN revealed important considerations for institutional integration. Managing expectations within the Ministry was critical, as the creation of a new unit generated diverse interpretations and concerns that could hinder implementation if not addressed. Maintaining clear and consistent communication with focal points was essential to navigate internal dynamics and ensure that the project progressed as planned. As with other financial solutions, stability in institutional counterparts was key.

These lessons reinforce the importance of adaptive management, strategic communication, and inclusive engagement in the implementation of biodiversity finance solutions. BIOFIN Guatemala will continue to apply these insights to strengthen its approach and ensure that future interventions are responsive, effective, and aligned with national priorities.

# E. Risks

## E.1. Programmatic risks (risks *to* the programme)

The risk presented by each financial solution depends on the actors involved and the actions to be developed by each of them, but in general, it can be said that they are related to the political will of local governments, municipalities, and public institutions since there is a risk that their commitment will be insufficient for the development of the projects; this is a result of Guatemala's weak financial management for the conservation and sustainability of biodiversity. Table 4 below shows the risks identified by financial solutions.

**Table 12**: Risk register for BIOFIN Guatemala.

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mngt response | Owner | Submitted, updated by | Last Update | Status |
|---|---|---|---|---|---|---|---|---|---|
| FS 1: Strengthening municipal management for effective results-based budgeting for biodiversity. | Lack of central government support to complement RBB technical assistance andthe formulation of projects associated with biodiversity management. | April 24, 2021 | Politician | Failure to complete technical assistance in RBB and the formulation of projects associated with biodiversity management.<br><br>P= 2<br>I=3 | Strengthen and support the BIOFINcommittee (CONAP, MARN, SEGEPLAN, MINFIN) to maintaineffective coordination of the RBB implementation process in the municipalities.<br><br>Strengthen municipal teams in RBB through training and the useof the classification guide developed by BIOFIN-PAGE.<br><br>Include biodiversity as a priority in municipal planning instruments. | BIOFIN Team | Municipalities | 0130/2026 | In development |
| FS 2: Feasibility study of a debt-for-nature swap in Guatemala | The debt swap implementation depends on the government's political will and negotiating ability to influence lending institutions and international banks. | April 22, 2021 | Strategic | Failure to negotiate with international lending institutions and banks.<br><br>P= 2<br>I=4 | Close follow-up on technical and legal revisions.<br><br>Periodic meetings with CTA and CAN inform, consult, and receive feedback. | BIOFIN Team | MINFIN, MARN, SEGEPLAN | 06/30/2022 | In development |
| | Lack of technical and administrative capacity to comply with the country's commitments. | April 22, 2021 | Operative | The country's commitmentsare not beingmet.<br><br>P=2<br>I=4 | Assessment of the feasibility of the actions will be developed in the preparatory phase. | BIOFIN Team | MINFIN, MARN, SEGEPLAN | 06/30/2022 | In development |

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mngt response | Owner | Submitted, updated by | Last Update | Status |
|---|---|---|---|---|---|---|---|---|---|
| | Use of resources collected/mobilized in actions unrelated to biodiversity managementor climate action. | April 22, 2021 | Operative | No investment is earmarked for biodiversity management or climate action.<br><br>P=2<br>I=5 | Investment criteria will be developed to ensure their use in biodiversity or climate change issues. | BIOFIN Team | MINFIN, MARN, CONAP, MAGA | 06/30/2022 | In development |
| FS 3: Modernization of the procedures for the generation of the National Council of Protected Areas (CONAP) own income. | Lack of coordination or commitment from CONAP's Executive Secretariat and/or the administrative units involved in the management of the platform may cause delays or jeopardize the institutionalization of the new platform to automate the tariff charting system. | April 8, 2022 | Operative | The analysis and updating of the tariff book are not performed.<br><br>P=2<br>I=5 | Frequent meetings with CONAP to report, consult, and receive feedback. | BIOFIN Team | CONAP | 06/30/2022 | In development |
| FS4: Institutionalizing sustainable public finances through the creation of the Directorate of Environmental Taxation, Climate Change and Sustainability. | Organizational Resistance. | February 9, 2024 | Operative | Low acceptance of the creation of the Environmental Taxation Directorate<br><br>P=2<br>I=5 | Implement an awareness and training program to communicate the benefits of the Directorate. | BIOFIN Team | BIOFIN Team | 07/01/2024 | In development |
| | Inadequate Legal and Regulatory Framework | February 9, 2024 | Political | Little knowledge to ensure legal compliance.<br><br>P=2<br>I=5 | Work in collaboration with relevant authorities to address any legal loopholes, ensure regulatory compliance. | BIOFIN Team | BIOFIN Team | 07/01/2024 | In development |
| | Lack of internal expertise. | February 9, 2024 | Operative | Poorly qualified professional staff.<br><br>P=2<br>I=5 | Recruit qualified staff and establish training programs. | BIOFIN Team | BIOFIN Team | 07/01/2024 | In development |

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mngt response | Owner | Submitted, updated by | Last Update | Status |
|---|---|---|---|---|---|---|---|---|---|
| | Lack of budget allocation to maintain the technical team. | February 9, 2024 | Financial | Lack of public budget to carry out actions in the Directorate.<br><br>P=2<br>I=5 | Technical support to MINFIN to instruct on the Budget. Technical support to MINFIN to instruct on the Budget. | BIOFIN Team | BIOFIN Team | 07/01/2024 | In development |

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### E.2. Social and Environmental Risks (*of* the programme)

The BIOFIN country programme does not generate additional social and environmental risks. Indeed, the programme works to mitigate existing risks by integrating UNDP's programming principles for strengthening social and environmental sustainability (SESP), and the programme is directly aligned with Standard 1 of the project-level standards therein, viz., Biodiversity Conservation and Sustainable Natural Resource Management.

## List of annexes and related notes

The following annexes are included in this report:

### **Annex 1**: Indicator Tracking Table (in Excel)

The Indicator Tracking Table provides an up-to-date snapshot (subject to the availability of related data) of progress made towards the BIOFIN country program's M&E indicator targets.


BIOFIN
The Biodiversity Finance Initiative