

Guyana Low Carbon Development Strategy

**CONTRIBUTED BY OFFICE OF CLIMATE CHANGE OFFICE
OF THE PRESIDENT GUYANA**

Background

GUYANA, A TROPICAL, English-speaking South American country, roughly the size of England, bordered by the Atlantic Ocean on the north, and Brazil, Venezuela, and Suriname to the south, west, and east, respectively, is rapidly emerging on the global climate change landscape and is establishing green growth leadership globally.

With a total land mass of 215,000 square kilometres and a population of just 756,040 people concentrated on a narrow plain that lies 1.4 metres below sea level, Guyana is extremely vulnerable to flooding. Climate change has been exacerbating these vulnerabilities. In 2005, excessive flooding caused damages equivalent to 60 per cent of Guyana's GDP.

The hinterland, south of the coast, is covered with more than 18 million hectares of pristine tropical rainforest covering approximately 80 per cent of the country's total land mass, with an annual deforestation rate of less than 0.1 per cent for over 20 measurable years. This makes Guyana one of the few tropical forest countries with a high forest cover and low rate of deforestation (HFLD). The country is also endowed with an abundance of natural resources, an extensive and fertile savannah, arable croplands, rich mineral deposits of gold, bauxite, and diamonds, and abundant fresh water and hydropower potential.

In spite of its natural wealth, Guyana remains a poor developing country with a vast potential for robust economic and social development. The country stands at the crossroads of two global forces. On one hand, there is pressure to exploit its natural resources, and grow and develop, with increased GHG emissions. On the other hand, the challenge of climate change requires responsible mitigation actions, which could place constraints on natural resource exploitation. Even in the absence of any action, climate modelling has indicated that by 2030, Guyana will experience significant increases in temperature and sea-level rise, a greater

risk of storm surges, and changed rainfall patterns, with adverse impacts on food security, and public health and livelihood.

Guyana's Strategy

In its search for a win-win solution, Guyana turned to its most prized asset — its rainforests. Deforestation and forest degradation are responsible for approximately 17 per cent of global total greenhouse gas emissions. However, the Economic Value to the Nation (EVN) of Guyana's forests, excluding titled Amerindian lands, is equivalent to payments of approximately US\$ 580 million a year. A conservative estimate of the forests' ecological value to the world is US\$ 40 billion annually. Even prior to the Copenhagen climate change negotiations and agreement, Guyana's policy-makers challenged the pervasive development dilemma head on. If the international community were to acknowledge the vital services Guyana's forests provide, and were willing to pay for these services, the traditionally incompatible forces of environmental protection and economic development could be unified. It was on this rationale that Guyana's Low Carbon Development Strategy (LCDS) was born.

The LCDS, a vision of the country's former President Bharrat Jagdeo, boldly charts a new, green development path for Guyana. According to this strategy, payments received for the conservation and sustainable management of its forests and forest services would be applied towards alternative low-emission economic activities, thus generating green jobs. These include hydropower development at Amaila Falls, situated in Guyana's interior, that will meet 90 per cent of Guyana's domestic energy needs, titling of Amerindian lands, and the establishment of an Amerindian Development Fund to support alternative livelihood projects to enable the economic empowerment of the Amerindian native people of the hinterland, water conservancy and drainage infrastructure for better flood management, farm to market roads for agriculture in non-forested areas, establishment of a micro and small enterprise development fund to promote alternative livelihoods for vulnerable groups, and institutional strengthening and capacity-building within all national agencies and partner bodies engaged in climate change mitigation. These represent a first wave of projects under the LCDS.

The Process

The first draft of the LCDS was launched on June 8, 2009. Following the launch, the LCDS was taken to country-wide stakeholder awareness consultations and extensive outreach sessions across Guyana. To ensure transparency and accountability, a Multi-Stakeholder Steering Committee (MSSC) — including representatives of indigenous NGOs, conservation NGOs, women and youth organizations, the academia, civil society, and the private sector — was established to oversee the LCDS. The entire consultation and awareness process

was independently monitored by the International Institute for Environment and Development (IIED), which reported that the process was credible, transparent, and inclusive and highlighted the government's commitment to transparency and accountability during the preliminary consultation process. The LCDS was also considered and approved by the Cabinet and Parliament of Guyana.

Financial Aspects

Following approval of the LCDS, the Government of Guyana signed a Memorandum of Understanding (MoU) with the Government of Norway on November 9, 2009 for payments of avoided deforestation and forest services, first-of-its-kind in the world. Under the MoU, Norway has committed performance-based payments of up to US\$ 250 million by 2015. Guyana must deliver on agreed indicators, which will be independently verified, prior to Norway's release of the payments.

Payments are made through a financial mechanism, the Guyana REDD+ Investment Fund (GRIF), with the World Bank as trustee. International financial institutions and development agencies serve as partner entities to support locals in implementing the LCDS projects. To date, Guyana has earned the two tranches of payments amounting to US\$ 70 million, which has been deposited in the GRIF and is on track to receiving a third tranche. This partnership between Guyana and Norway is the world's second largest Interim REDD+ scheme and the first national-scale effort, with Guyana being one of a few countries in the world that is being paid for the climate services provided by its forests.

Conclusion

This process of LCDS has not been without any challenges, but these challenges have not proven insurmountable. In fact, they have served to build a useful dossier of lessons and experiences that help to mould best practices for the world over and an opportunity for Guyana to demonstrate global leadership in REDD+ and green economy. In a period of just three years, the LCDS has moved from concept to implementation and can serve as a working example that can be replicated in other rainforest countries.

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