

Understanding Climate Change

Part 11

Guyana's Low Carbon Development Strategy: Priority Areas for Implementation

In previous articles we discussed the challenges of pursuing economic growth and development while trying to reduce the impact of climate change, and the importance of low carbon development in reducing dependence on fossil fuels and managing forests and other ecosystems sustainably. We also introduced Guyana's low carbon development strategy (LCDS), which outlines how Guyana will attract financial support through efforts to reduce emissions from deforestation and forest degradation and conserve standing forests (REDD+), and invest the funds generated into priority adaptation projects and low carbon development initiatives. This week's article will focus on the third draft of the LCDS, and the priority areas for implementation over the next two years.

Launch of the third draft of the LCDS

Guyana's low carbon development strategy (LCDS) was initially launched in June 2009, after which a series of consultations and awareness sessions were held with wide stakeholder groups, including Amerindian communities, youth and land users to inform and elicit feedback from all sectors of Guyanese society. The LCDS was subsequently revised on two occasions to include input from these sessions and to incorporate the outcomes of the latest international negotiations on climate change, including the Copenhagen Accord.

On May 24, 2010, the third draft of the LCDS was released and launched by His Excellency President Jagdeo.

The revised draft of the LCDS places greater emphasis on implementation, and outlines seven key priority areas for investment of forest payments over the next two years. These are described below.

1. *Amaila Falls Equity*

Currently, Guyana relies on imported fuel oil and diesel for its electricity generation, which is both expensive and carbon intensive. Guyana is moving ahead to develop a hydropower site at Amaila Falls which could deliver energy security by meeting all of the country's domestic power needs for the foreseeable future, and will significantly reduce end-user electricity costs. Investment in hydropower will substantially reduce Guyana's dependence on fossil fuels, thereby reducing greenhouse gas (GHG) emissions. In addition, the reduction in the price of electricity will eliminate one of the major barriers to foreign direct investment, thereby stimulating investment in other sectors of the economy.

The hydroelectricity plant at Amaila Falls is expected to have an installed capacity of 154MW, and will cost approximately US\$ 650 million, of which 30 percent will be funded by equity from the Government of Guyana and an American company, Sithe Global LLP. The plant is expected to become operational by 2014.

2. *Titling and demarcation of Amerindian Villages*

Amerindian Guyanese make up approximately 9.1 percent of Guyana's population and own around 13.9 percent of the land. Amerindians have made their livelihoods from the forests for

generations, and continue to play an important role in ensuring that the forests are conserved and forest resources are used in a sustainable manner. The Amerindian Act No. 6 of 2006 makes provision for the demarcation and titling of Amerindian villages as well as matters of land management, leasing and extension. To date, 96 Amerindian villages are titled, of which 70 are demarcated. Between 2010 and 2015 the process of titling, as well as demarcation and extension of villages, is expected to be completed for all villages that submit requests. Amerindian villages will have the choice to opt-in to the interim REDD+ mechanism, following the principle of free, prior and informed consent. Those that opt in will receive their share of the revenues that flow through payments for forest carbon.

3. Amerindian Development Fund

In addition to developing the opt-in mechanism for Amerindian communities, an Amerindian Development Fund will be established to provide grants for low carbon energy and economic or social investments in Amerindian villages. Government will set aside at least US\$ 4 million from revenues received for the state forest estate to be made available to fund projects for Amerindian development. Projects that will receive funding are likely to include aquaculture, cattle rearing and processing, small-scale manufacturing (such as craft production), and ecotourism.

4. Information and Communications Technology Infrastructure

Guyana's business process outsourcing industry has the potential to significantly increase employment in the near future. However, information and communications technology (ICT) infrastructure is a key barrier to sustaining growth in this industry. Government aims to deliver a new fibre-optic system from Brazil to Georgetown, with the laying of a fibre-optic cable between Georgetown and Lethem followed by the expansion of telecommunications services and a wireless broadband infrastructure network along the coast and into hinterland communities. Improving ICT infrastructure will catalyse private sector investment, increase employment and provide high speed connectivity to rural areas in Guyana.

5. Small and Micro enterprise development in low carbon sectors

Forest payments will be invested to support the creation of new low-carbon economic opportunities for small and micro enterprise (SME) sectors and vulnerable groups. This will take the form of grants, a mutual guarantee fund, skills development and capacity building in agencies responsible for SME development and vulnerable groups. Financing for SMEs will be administered through the Small Business Development Fund, and will be provided to SMEs according to two main criteria: access to finance and potential for development of technical and business skills. Grants will be provided to SMEs in key low-carbon growth sectors, such as fruit and vegetables, aquaculture, sustainable forestry, ecotourism and sustainable mining. In addition, the financing will provide training in business development, technical skills and sustainability through a targeted system which will give SMEs and vulnerable groups the ability to obtain the relevant business and technical training conducive to their development.

6. Research, education and ICT training

Education and training in ICT skills are essential to ensure that Guyana has the human resources and skills base to implement and maintain growth and low carbon development. Sustained investment in research is important to guarantee that Guyana remains at the cutting edge of new

low carbon initiatives and technology. One priority investment is the establishment of an international Centre for biodiversity research and low carbon development, dedicated to researching Guyana's biodiversity and assessing its economic value and how this can be maximised. The Centre will work with emerging global institutes to ensure that Guyana is integrated with international advances in relevant fields. In addition, Guyana will introduce climate change and the principle of low carbon development into the formal education system from September 2010, and will improve ICT training in schools.

7. Supporting institutions for the LCDS

In order to ensure successful execution of the LCDS, five main institutions will be priorities for strengthening in 2010 and 2011. The Office of Climate Change (OCC) is responsible for coordinating work on climate adaptation, mitigation and forest conservation, as well as national consultations of the LCDS; the Project Management Office (PMO) is responsible for accelerating implementation of key projects identified in the LCDS; the Guyana REDD+ Investment Fund (GRIF) will be established in 2010 to channel REDD-plus financial support from Norway and other contributors to the implementation of Guyana's LCDS; The REDD Secretariat will be involved in determining the forest payments earned by Guyana every year, and over time, will implement a monitoring, reporting and verification (MRV) system in accordance with international guidelines for estimating and reporting carbon emissions and removals; and the Environmental Protection Agency (EPA) is responsible for ensuring that national and international social and environmental standards are met in all GRIF investments.

Adaptation

In addition to the seven priority areas for investment in a low carbon economy outlined above, the LCDS also emphasises the importance of investment in infrastructure and other requirements for adaptation in order to protect Guyana's people and productive lands from flooding, a major risk associated with sea level rise due to climate change. Priority adaptation measures that have been identified include the upgrading of infrastructure and assets, including drainage and irrigation systems and the sea wall, to protect against flooding. Other priorities include switching to flood-resistant crops, developing financial risk management and insurance measures, and improving Guyana's early warning system. There will also be emphasis on development of adaptation measures in the hinterland areas, including lowlying riverain areas. The cost estimated for priority investments in adaptation is US\$ 300 million.

Next week we will continue to explore important aspects of Guyana's LCDS.

*Information used in this feature was extracted from the following reports and sources: Guyana's Low Carbon Development Strategy, May 2010.

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