

# Guyana's Low Carbon Development Strategy

## -The Norway MOU

In the previous article, we discussed Guyana's Low Carbon Development Strategy (LCDS) and the major projects that are being implemented. This week we will examine one of the main partnerships that Guyana has entered into to support the implementation of the LCDS - the Guyana and Norway partnership.

The Governments of Guyana and Norway signed a Memorandum of Understanding (MoU) on November 9<sup>th</sup>, 2009 regarding cooperation on issues related to the fight against climate change, in particular those concerning Reducing Emissions from Deforestation and Forest Degradation Plus (REDD+).

We learnt from previous articles that worldwide, deforestation is a leading cause of climate change and that Guyana has placed great emphasis on maintaining a low deforestation rate.



Under the Norway agreement, Guyana is being paid for its performance through an incentive structure that rewards the country for keeping deforestation below an agreed reference level, as well as avoiding increased forest degradation. Norway has committed to providing Guyana up to USD \$250 million to 2015, depending on the country's delivery of results as measured against two sets of indicators: those of Enabling Activities, and REDD+ Performance Indicators.

To help facilitate such an agreement, the Governments have decided to pilot an incentive structure and once guidance becomes available at the international level, especially through the United Nations Framework Convention on Climate Change (UNFCCC), the Guyana-Norway partnership will be adjusted accordingly. Until then, payments are calculated based on Guyana's performance as measured, and independently verified, against the two sets of indicators.

A Joint Concept Note (JCN) complements the MoU and outlines the basis of the work to be undertaken between Guyana and Norway. It specifies the key activities that the Government of Guyana needs to achieve in order for payments to be made.

The Guyana REDD+ Investment Fund (GRIF) was established as the multi-partner financial mechanism to channel the funds received from the Government of Norway to Guyana. Payments to the GRIF are being made by the Government of Norway until Guyana establishes additional partners.

To date, considerable progress has been made in the Guyana-Norway cooperation and in other related efforts. Guyana has met all the requirements specified within the agreement and has

since earned three sets of payments totalling USD 115 million. Guyana is currently working towards meeting the requirements to receive a fourth payment from Norway.

In general, the payments from Norway are being used to implement projects that will create opportunities, economic diversification, building resilience to climate change and maintaining and securing Guyana's forest.

Next week we will continue to discuss key topics related to climate change and Guyana's LCDS.

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