

PRELIMINARY REVIEW OF GUYANA'S LOW CARBON DEVELOPMENT STRATEGY

The following document outlines a preliminary and concise review, of Guyana's Low Carbon Strategy (LCDS) by Conservation International (CI), prepared within the timeframe since receipt of the document on June 3rd, 2009. CI views the LCDS as one of the most important development initiatives in the history of Guyana's Development. To ensure clarity the issues presented in this review have been captioned within three main sections

CONSERVATION INTERNATIONAL

JUNE 5, 2009

TABLE OF CONTENTS

1. INTRODUCTORY REMARKS	3
2. CONTENT ISSUES	3
2.1. Communicating the LCDS	3
2.2. Relationship between the Investment Actions of the LCDS and the rest of the Economy..	4
2.3. Expansion of agriculture and resultant carbon emissions.....	4
2.4. Relationship with the McKinsey Report.....	4
2.5. Treatment of Amerindian Lands	5
3. EXISTING AND FUTURE ACTIONS IN RELATION TO THE LCDS	5
3.1. Infrastructure Development.....	5
3.2. Social and Environmental Impacts of Low Carbon Investments.....	6
3.3. Existing and Future Protected Areas	6
4. IMPLICATIONS OF EMBARKING ON THE LCDS	7
4.1. Policy and Institutional Arrangements.....	7
4.2. Capacity Development in Integrated Resource Management	7
5. CONCLUDING REMARKS	8

1. INTRODUCTORY REMARKS

The Low Carbon Development Strategy (LCDS) is an excellent and world-class insertion into the Global Discussions on Climate Change. Guyana has established a critical leadership role in the international climate negotiations leading up to Copenhagen (December 2009), and this strategy presents a means by which Guyana and other countries with high forest cover and low deforestation rates (HFLD countries) can participate as equals in the REDD and REDD+ negotiations. The proposed approach to economic development is something that the Government of Guyana and all Guyanese should be proud of. Conservation International (CI) hopes that the LCDS will form the basis of the long term development strategy for Guyana, and become a pathfinder for other similar countries around the world in their fight against climate change..

On World Environment Day 2009, amidst the critical urgency for the World to respond to the effects of global climate change, CI looks forward to continuing its engagement with the Government and People of Guyana as the LCDS is discussed and implemented.

2. CONTENT ISSUES

2.1. Communicating the LCDS

The document makes an excellent case to the international community, but it may be challenging to communicate its substance with Guyanese People.

- a. For example, some might ask: What development paths other than the LCDS could Guyana follow, and why is a low-carbon path a better? Why should Guyanese change from business as usual, and be enthused and excited by the LCDS?
- b. It may be useful to consider an overall vision for Guyana that underpins the LCDS. This vision should be crafted to capture the hearts and minds of Guyanese on the whole, and not only those who are knowledgeable of carbon and climate change issues. It may be helpful to consider a vision that would suggest that the strategy will allow for the Guyanese People to contribute to the global efforts to combat climate change, while securing social and environmental sustainable development within the framework of a knowledge-based economy that fully captures the values from ecosystem services.
- c. It is unclear what the desired outcomes are for the 3-month consultation that follows the launch of the LCDS on June 8, 2009. Given the scope and complexities of the subject, it is suggested that consideration be given to the following three outcomes:
 - i. Consensus on a Low-Carbon Development Pathway

- ii. Consensus on steps required to embark on the Low-carbon Development Path, including agreement to pursue an MRV system in Guyana
- iii. Consensus on the REDD Readiness plan

2.2. Relationship between the Investment Actions of the LCDS and the rest of the Economy

- b. Although the projected longer term REDD revenues are comparable to the present national budget, the first few years of implementation of the LCDS will contribute only a small component of the national economy. The strategy does not reflect how the LCDS will incorporate or address the other existing sectors of the economy, and how these sectors will be led onto a low carbon pathway.
- c. The LCDS does not clearly address how the State, private sector, and people of Guyana will manage other possible industries that may have a high carbon footprint, including fossil fuel extraction, bauxite mining etc.
- d. We recommend that a section be developed that describes in broad terms how the entire economy of the country will be integrated into the LCDS. Such a section may be further expanded as the LCDS is implemented (within Phase 1).

2.3. Expansion of agriculture and resultant carbon emissions

- a. While the thrust of the LCDS is built on a REDD framework, the UNFCCC framework considers the total GHG emissions from countries. As more lands are placed under agriculture production, it will be important to evaluate the projected increase in carbon emissions that will result from agriculture to ensure that the proposed increase in agricultural production does not produce a substantial net increase in carbon emissions.
- b. The lands that are considered for conversion to agriculture production may themselves sequester substantial carbon. An assessment of the carbon flux on land conversion will need to be conducted to increase the accuracy of these projections, hence increase the accuracy and precision of the national carbon emissions figures and making “Assigned Amount Units” (AAUs, carbon credits) more bankable.
- c. We recommend development of an allometric equation for carbon emissions for agricultural development suitable for Guyana.

2.4. Relationship with the McKinsey Report

- a. The LCDS is not dependent on the quality and attributes of the McKinsey Report that has been placed as an Appendix in the document. Readers may focus attention on the quality and veracity of the McKinsey Report, in which both the EVN and EVW may be debated, thus drawing attention away from the Strategy itself.
- b. We recommend that the McKinsey report in the appendix be replaced by a summary of the EVN/EVW concept.

2.5. Treatment of Amerindian Lands

- a. We understand that as title holders to their lands, Amerindians will have to choose whether or not their lands are to be accounted for in the determination of the amount of REDD credits. At the same time, the success of the LCDS depends on achieving and maintaining a certain low rate of national deforestation/degradation, thus requiring that the entire country be treated as a single land space.
- b. As presented, readers may view the structure for Amerindian land involvement in the following ways:
 - i. As presented the involvement of the Amerindian segment of the Guyanese population is optional insofar as the use and management of their titled lands is concerned.
 - ii. Consequent to (i), the State may not be required to provide goods and services that have been obtained from national REDD payments to titled Amerindian Communities, unless they opt-in.
- c. The “opt-in” option for titled Amerindian communities should be considered to be a matter for accounting of the amount of AAUs, and not that of participation in the LCDS. The LCDS framework appears to be a national approach to avoiding deforestation. In such a context, Amerindian participation in the LCDS as citizens of Guyana will require that they continue to manage their lands sustainably in accordance with the provisions of the Amerindian Act. Additionally, if titled Amerindian Communities wish to participate in a REDD deal, the LCDS suggests that they will be required to use the national framework. In return, there should be a commitment by the State to provision of a minimum set of goods and services to all Guyanese from REDD payments, with further REDD payments accruing titled Amerindian Communities (and other lands outside of the State Forest) in the form of some equitable benefit sharing mechanism.
- d. We recommend that in the consultation process the Government considers preparation of an information matrix that lays out the option of how it is possible to proceed, with the risks and opportunities of each option, as a way to assist in the decision process for Amerindian Communities. It will be critical that these issues are presented clearly and in a way that stimulates discussion and constructive debate

3. EXISTING AND FUTURE ACTIONS IN RELATION TO THE LCDS

3.1. Infrastructure Development

We note the aspirational view that the investments in high potential low-carbon sectors are expected to shift the economy to low-carbon industrial activity, ensuring that infrastructure in forested areas does not facilitate an increase in deforestation and degradation.

- a. The document does not consider the necessary or planned infrastructure developments that are currently being pursued, and how these developments are to be integrated into the LCDS.
- b. CI has completed an assessment of the potential deforestation and degradation that will be generated from IIRSA and in particular the Georgetown-Lethem Transportation Corridor (GLTC), and estimated the REDD revenues that might be expected from the application of a robust social and environmental management plan. Our conclusion is that the IIRSA infrastructure development will cause as much as 11% loss in forest by 2030, unless mitigation measures are put in place. With an operational REDD framework such measures will lead substantial REDD revenues that will provide compensation and additional revenues for the LCDS.
- c. We recommend that there is a clear statement in the LCDS that highlights the effects of necessary infrastructure unless an effective REDD framework is implemented.

3.2. Social and Environmental Impacts of Low Carbon Investments

- a. As we pursue the stated low-carbon investments, there will be social and environmental impacts.
- b. In the same manner that the Amaila Fall Hydropower project was subjected to a full social and environmental impact assessment process under the Environmental Protection Act, it is critical that the same methodology is applied to each of the other developments. This may be especially necessary for agriculture and aquaculture developments in intact non-forested ecosystems.
- c. In this context, it may be valuable to consider sectoral social and environmental impact assessments for each of the investments to reduce the costs of specific project impact assessments.

3.3. Existing and Future Protected Areas

- a. We note the growing importance of biodiversity conservation as an element in the REDD negotiations. For example, the UNFCCC-LCA submission from the Government of Norway emphasizes the role and function of biodiversity conservation. Although the McKinsey Report cites commitment to the Convention on Biodiversity (CBD), the LCDS does not treat this aspect which affects at least 10% of Guyana's forested landscape under the proposed Guyana Protected Areas System (GPAS). The GPAS has the potential to demonstrate Guyana's commitment to both responding to the threat of climate change plus recognizing the value of biodiversity, thus representing premium investments by the Government of Guyana in preserving tropical rainforests.¹
- b. We also note that the existing protected areas already represent high quality carbon and biodiversity reserves, but are underfunded. Kaieteur National Park can benefit

¹ Already under the existing circumstances, we estimate that biodiversity payments to the country are equivalent to 0.5% of the Guyana's GDP.

from substantial inflows of investment to enhance and further develop its operations and contribution to the country's tourism industry. In the case of the Community Owned Conservation Concession (COCA), the Wai Wai community has undertaken the responsibility for management of the headwaters of the Essequibo River which forms the major watershed in Guyana. Iwokrama is the best known Guyanese protected area in the world and demonstrates how to conserve and sustainably use tropical rainforests. All of these areas suffer from the threat of forest fires triggered by human activities exacerbated by El Nino Events, leading to increase in carbon emissions.

- c. All of these areas may be pathfinders for REDD revenues even prior to the establishment of the necessary investments described in Phase 2 of the LCDS.
- d. We recommend that the GPAS, and the already existing PAs be considered as pathfinder REDD revenue earners prior to Phase 2 of the LCDS, and that a section on this be inserted in the LCDS.

4. IMPLICATIONS OF EMBARKING ON THE LCDS

4.1. Policy and Institutional Arrangements

- a. Given the scale, structure, and intent of the LCDS to transform Guyana's development pathway, and to leapfrog its economy without following the traditional development pathway of countries with abundant natural resources, the LCDS may be considered to be the new generation National Development Strategy (the present strategy expires in 2010).
- b. The LCDS is built on the substantial inclusion of ecosystem services, represented by avoided deforestation "carbon credits" (AAUs) in the national economy. This will cause a transformation of the national economy underpinned by the conservation of Guyana's most valuable asset (its intact forests). This objective serves as a global benchmark for the world that has otherwise not placed a value on ecosystem services.
- c. To achieve this transformation in Guyana's economy, there will be need to undertake matching policy and institutional reform at a scale that responds to these needs.
- d. CI has carried out a review of policy and institutional reforms required for REDD, and the conclusion is that there will need to be reform in the natural resource management sector to achieve greater integration in policy, regulations and management. There is also need for substantial investment in capacity. This is further addressed in the next point.

4.2. Capacity Development in Integrated Resource Management

- a. For an economy that will be transformed from the traditional development path to the implementation of the LCDS, Guyana will need to prepare the cross-section of

its citizens in various aspects of integrated natural resource management and other necessary skill areas.

- b. While in the short term this will require interventions to up-skill a wide range of employees in the existing state and non-state entities in order to respond quickly to the anticipated rapid changes which will result from the implementation of the LCDS, this may not be sufficient for the long term needs.
- c. We therefore recommend that the LCDS addresses the steps be taken to introduce programmes within the educational system of the country in various aspects related to integrated resource management and other necessary skill areas for its implementation. In particular, we view the University of Guyana as an important catalyst for change, and a leader of the future in the provision of training in integrated resource management regionally and globally.
- d. We further recommend that in response to the LCDS the Government commissions an integrated science-based conservation strategy that can be fully incorporated into the LCDS. This strategy will be used to identify the areas of competencies required to support the implementation of the LCDS at all levels.

5. CONCLUDING REMARKS

This preliminary review is meant to provide a snapshot of our initial responses to the LCDS and is not exhaustive, but responds to the Scope of Work agreed upon between the President Jagdeo and Dr Russell Mittermeier, CI's president. We believe that the discussions around the launch of the LCDS on June 8, 2009 will provide further information that will assist us in providing further advice to the Government of Guyana.

CI also looks forward to working with the Government and People of Guyana to understand, advising and supporting the LCDS as it unfolds.