

## **Norway announces new contribution to Guyana for its continued low deforestation**

*The Guyana-Norway climate and forest partnership continues to make significant progress. In 2012, Guyana kept deforestation and forest degradation at very low, though increased, levels. Based on this result, combined with improvements in forest governance in 2012-13, Norway today announces that it will contribute 35 million USD to the implementation of Guyana's Low Carbon Development Strategy.*

Since 2009, Norway has been contributing to Guyana's efforts to enhance economic development while maintaining over 99.5% of its 185 000 square kilometer forest. Today's announcement of a US\$ 35 million payment to Guyana is based on Guyana's deforestation rate in 2012 and the country's progress on indicators that will enable agreed goals for forest governance.

In the period from January 1st 2012 to December 31st 2012, Guyana's verified deforestation rate was 0.079%. This rate was independently verified by DNV-GL. Despite an observed increase in deforestation in 2012, relative to 2011, the observed deforestation rate still remains very low in relation to almost all other tropical countries. Details on the calculations can be found in the Technical Note on Payments.

Guyana has reported on progress of the enabling activities related to sustainable forest management in the period from June 30<sup>th</sup> 2012-September 20<sup>th</sup> 2013. These results have been independently assessed by Indufor. The Indufor report states that substantial and satisfactory progress has been made on almost all indicators. Efforts related to increased communication, multi stakeholder engagement and the negotiations with EU's Forest Law Enforcement Governance and Trade (FLEGT) are all progressing according to plan. However, Guyana's efforts to apply for candidacy of the Extractive Industries Transparency Initiative (EITI) demonstrated slower than anticipated progress. The Government of Guyana has recently publicly communicated its continued commitment to the EITI-process, which will when implemented contribute to moving the partnership forward. The implications of progress on enabling activities are explained in the Technical Note on Payments.

Today's announcement brings to US\$150 million the total earned from Norway to Guyana since the partnership started. The accumulated payments are being invested by Guyana in its Low Carbon Development Strategy (LCDS). Table 1 describes the investments in more detail, but in summary:

- Approximately US\$70 million has been deposited by Norway in the Guyana REDD+ Investment Fund (GRIF), which is channeling investment into seven LCDS projects. These projects are delivering development impacts across Guyana, including supporting the socio-economic development of Amerindian communities, strengthening land tenure security for Amerindians and stimulating the growth of micro and small enterprises.
- From these funds, approximately US\$5.8 million was channeled to Guyana's Forestry Commission, who are consolidating Guyana's leading position globally in forest monitoring and carbon measurements for REDD+. Over the past year, Guyana has delivered a report on deforestation and forest degradation that meet international standards. The methodology used has received good independent reviews from DNV, and Guyana's progress in this area continues to be impressive.
- US\$80 million is currently planned to be transferred to the Inter-American Development Bank, to be used as Guyana's equity contribution to the Amaila Falls Hydro Project.

### *Future Payments*

In the coming months, Guyana's eligibility for a fifth payment under the Guyana-Norway partnership will be assessed. As in previous years, the payment will be calculated on the basis of two sets of indicators, in accordance with the methodology described in the Guyana-Norway Joint Concept Note:

- **Deforestation and Degradation Indicators.** The Guyana Forestry Commission has produced its report covering 2013 deforestation. In the coming months, this report will undergo independent verification by DNV. Guyana's maximum payment will be calculated based on the independently verified data.
- **Enabling Indicators.** The Governments of Guyana and Norway agreed an overall set of enabling indicators to be part of the calculation of Guyana's payments. These indicators are set out in the JCN. To fulfill the terms of the the next (fifth) payment, Guyana will:
  - o *Continue with the process to apply to the Extractive Industries Transparency Initiative (EITI).* By the end of November 2014, the inception report from the EITI Scoping Study will be published, and Guyana will be listed as an "interested country" on the EITI Website. These are milestones on the way to Guyana's strong commitment to applying for EITI candidacy by June 2015.
  - o *Advance Guyana's policy of enabling Amerindian communities to "opt in" to REDD+ payments.* By the end of November 2014, the Government of Guyana will publish the draft opt-in strategy , which will be submitted to the National Tshaos Council and the MSSC for review. The Government of Guyana will also request the NTC to select – by December 2014 - a pilot community from the candidate communities identified by the NTC in 2013. Furthermore, the Government of Guyana is planning to hire a consultancy to assist with the further development of the opt-in strategy. The Terms of Reference for this consultancy will be submitted to the IDB by the end of November 2014 and subsequently be made publically available through an international competitive procurement process.
  - o *Improve REDD+ and LCDS-related communications in hinterland communities.* Continued efforts have been extended over the past year to further enhance outreach and awareness on the LCDS. The Government of Guyana will provide a publically available overview of these activities, including, but not limited to outreach and awareness sessions to hinterland regions, and development and dissemination of information to Amerindian communities through various channels, such as Indigenous NGO's of the LCDS Multi Stakeholder Steering Committee. The Government of Guyana, with the support of Conservation International, is about to start implementing an LCDS outreach project which will among other things focus on the tailored needs for information in the hinterland communities. The project is somewhat delayed, but the signed contract and Terms of Reference for the collaboration between the Government of Guyana and Conservation International are available on the GRIF web site. The Government of Guyana will by the end of November 2014 publish an outline and indicative timeline for the main deliverables of this project.

The sixth (and final) payment under the current Guyana-Norway partnership will be considered after June 2015. This payment will be based on independent verification of 2014 deforestation and degradation, coupled with performance against the indicators set out in the next version of the Guyana-Norway JCN, which is to be published by the end of October 2014.

As the two countries enter the final stages of their current partnership, the Governments of Guyana and Norway are discussing continued collaboration to identify and solve many issues that are essential to the global fight against climate change. The two Governments will consider continuing working together to maintain the world's vital tropical forests, to show that national development

and combatting climate change can be compatible, and to demonstrate how a national-scale transition to a low carbon development pathway is possible.

TABLE ONE: LCDS PROJECTS RECEIVING FUNDING FROM PAYMENTS RECEIVED BY GUYANA FROM NORWAY

PROJECTS IN IMPLEMENTATION	US\$ / M
<b>Amerindian Land Titling</b> - seeks to enable Amerindians to secure their lands and natural resources with a view towards sustainable social and economic development. Titling of communities will strengthen land tenure security and expand the asset base of Amerindians.	10.8
<b>Amerindian Development Fund (Phases 1 and 2)</b> - supports the socio-economic development of approximately 187 Amerindian communities and villages through the implementation of their Community Development Plans. Phase 1 of the project provided funding and technical assistance to 26 villages and is near completion. Phase 2 has commenced implementation.	8.2
<b>Micro and Small Enterprise Development</b> - addresses two of the major bottlenecks that constrain the development of micro and small enterprises and the ability of vulnerable groups to build alternative livelihoods, which are limited access to finance, and limited technical and business skills.	5.1
<b>Climate Resilience Strategy and Action Plan</b> - establishes a climate resilience framework for Guyana that addresses direct and indirect impacts associated with extreme weather events, as well as emerging, indirect, slow-onset climate impacts and hazards.	0.5
<b>Monitoring Reporting Verification System Development</b> - further builds capacity in the Guyana Forestry Commission to carry out forest cover and change monitoring and forest carbon monitoring/measurement in fulfilment of the MRVS Roadmap.	1.9
<b>Institutional Strengthening (Phase 1)</b> - enhances national institutional capacity in Guyana to address the impacts of Climate Change, ensure the effective implementation of the LCDS, and help Guyana meet its commitments under interim REDD+ partnerships.	6.4
<b>LCDS Outreach and Communication</b> - aimed at increasing understanding and awareness on climate change and Guyana's LCDS, both nationally and internationally.	1.2
<b>Sub-Total</b>	<b>34.1</b>
PROJECTS IN DEVELOPMENT	
<b>Amaila Falls Hydropower Project</b> - is the flagship of Guyana's Low Carbon Development Strategy. Amaila will deliver a steady source of clean, renewable energy that is affordable and reliable and is envisioned to meet approximately 90% of Guyana's energy needs while removing dependency on fossil fuels.	80.0
<b>Cunha Canal Rehabilitation</b> - will improve the drainage capacity of the East Demerara Water Conservancy, which is a water storage system that provides regional drainage and flood control, as well as irrigation and drinking water. This will reduce the risk of water levels exceeding safe operating levels, which can potentially lead to breaches of the dam and catastrophic flooding.	3.0
<b>Aquaculture Development</b> - expected to increase Guyana's aquaculture exports and generate additional skilled and unskilled employment for both the rural and urban labour force.	5.0
<b>Ecotourism Development</b> - aims to improve Guyana's ecotourism competitiveness both regionally and globally through initiatives tailored to improve service and product quality and market access.	5.0
<b>Biodiversity Research Centre</b> - will see investment in human resources, infrastructure, facilities and equipment to develop a self-sustaining scientific research centre at the University of Guyana (UG) and will also ensure that Guyana is integrated with international advances in biodiversity research, management and protection.	5.0
<b>Institutional Strengthening Phase 2</b> - will continue to strengthen the technical and administrative capacity of the principal institutions responsible for implementing Guyana's LCDS.	7.0

<b>Micro and Small Enterprise Development (MSE) Phase 2</b> - will build on Phase 1 one of this project and provide financial and technical support to micro and small enterprises operating in low carbon sectors.	10.0
<b>Strengthening of the Hydrometeorological Service</b> - expected to improve forecasting abilities and communication that will enable citizens and agencies to prepare and respond to the impacts of weather, water and climate-related hazards in a timely and effective manner.	2.0
<b>Sub-Total</b>	<b>117.0</b>
<b>Total</b>	<b>151.1</b>