



MEMORANDUM

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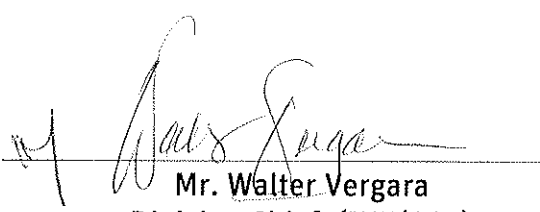
To: Sr. Walter Vergara
Division Chief, (INE/CCS)

From: Ms. Hanna Uusimaa
Mission Team Co-leader, (INE/CCS)

Subject: Back-to-the-Office Report (BTOR). Guyana. Special Mission. Technical Support on FCPF Project in Guyana. Georgetown, January 30 to February 3, 2012.

Please find attached the Back-to-the-Office Report (BTOR) of the above-mentioned mission. The mission was comprised of Mr. Juan Chang (INE/CCS), Mr. Juan de Dios Simon (VPS/ESG), Ms. Hanna Uusimaa (INE/CCS) and Mr. Graham Watkins (VPS/ESG).

This Report outlines the discussed subjects during the event in Chapter II and the next steps agreed among the participants presented in Chapter III of the BTOR.

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Division Chief, (INE/CCS)

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CLIMATE CHANGE AND SUSTAINABILITY DIVISION (INE/CCS)

SPECIAL MISSION

GUYANA. TECHNICAL SUPPORT ON FCPF PROJECT IN GUYANA

JANUARY 30 TO FEBRUARY 3, 2012

BACK TO THE OFFICE REPORT (BTOR)

I. BACKGROUND

- 1.1 A Special Mission of the Inter-American Development Bank (IDB) visited Georgetown, Guyana from January 30 to February 3, 2012 and was comprised of Ms. Hanna Uusimaa (INE/CCS); Mr. Juan Chang (INE/CCS); Mr. Graham Watkins (VPS/ESG); and Mr. Juan de Dios Simon (VPS/ESG). The objectives of the mission were to initiate discussions with the Guyana Forestry Commission (GFC) and relevant partners on the priority areas of support under the Forest Carbon Partnership Facility (FCPF) project in Guyana.
- 1.2 The FCPF is a global partnership focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+). The Readiness Mechanism of the FCPF assists tropical and sub-tropical developing countries in developing the systems and policies for REDD+ in preparation for a future system of positive incentives for REDD+. The World Bank acts as trustee for the Readiness Fund and the Carbon Fund. The Readiness Preparation Proposal (R-PP) of Guyana has been approved since the Third Meeting of the Participants' Committee held on June 16-18, 2009, in Montreux, Switzerland, and IDB was approved as the Delivery Partner (DP) for the FCPF readiness fund in Guyana in June, 2011. The discussions on the Transfer Agreement between World Bank and IDB are still ongoing.
- 1.3 The mission attended meetings with the following stakeholders and governmental agencies: the national focal agency for the FCPF, Guyana Forestry Commission (GFC); the Minister of Natural Resources and Environment; Guyana Geology and Mines Commission (GGMC); Guyana Lands and Surveys Commission (GLSC); Environmental Protection Agency (EPA); National Toshias Council (NTC), The Amerindian Action Movement of Guyana (TAAMOG); Amerindian People's Association (APA); Guyana Organisation of Indigenous People (GOIP); National Amerindian Development Foundation (NADF); Conservation International Guyana (CI); Iwokrama; and World Wildlife Fund (WWF).

II. DISCUSSIONS AND AGREEMENTS

- 2.1 Guyana as recently established a new Ministry of Natural Resources and Environment (MNRE), which will serve as an umbrella Ministry for the Guyana Forestry Commission (GFC), the National Parks Commission (NPC), the Guyana Geology and Mines Commission (GGMC), the Guyana Gold Board (GGB), the Guyana Lands and Surveys Commission (GL&SC), the Wildlife Management Authority (WMA), the Environmental Protection Agency (EPA), and the Guyana Protected Areas System (GPAS). This new institutional arrangement offers an opportunity for better coordination of the REDD+ activities in the country and between sectors. The discussions focused on how the FCPF can support the institutional arrangements for REDD+, as well as on the specific component of the Strategic Environmental and Social Assessment under the FCPF project and the consultation process.
- 2.2 **Meeting with IDB Guyana Country Office Operations specialist. Persons met:** Leslie-Ann Edwards, Janelle Leitch. The mission team briefed the IDB country office staff on the current status of the FCPF, including the transfer agreement with World Bank.
- 2.3 **Meetings with Guyana Forestry Commission (GFC). Persons met:** Pradeepa Bholanath, Nasheta Dewnath, and James Singh (Commissioner). The team met with GFC in the beginning of the mission, as well as in the end to brief GFC on the findings of the mission and to agree on the next steps with GFC.
- **Transfer agreement:** The mission updated GFC on the negotiation process with World Bank on the Transfer Agreement. R-PP revision: As GFC has requested a final review of the R-PP from the IDB team, the mission team proposed to carry out this review as a parallel activity with the project development, as in any case, the R-PP would have to be consistent with the project document, and vice versa. However, the team communicated to GFC some general comments on the R-PP:
 - a) Request to update the R-PP on MNRE, new institutional arrangements and legislation. Also include aspects on how we can strengthen the coordination between agencies in the framework of the new institutional arrangements, bringing the REDD+ elements into the coordination of the land use planning, the management on mining, etc.
 - b) Update the budget in section 5, and include other readiness initiatives with a breakdown to activities. For example budget for the benefit sharing mechanism, as part of the readiness activities (under OCC), should be included.
 - c) Clarity needed on the benefit sharing mechanism. It might be better to avoid using terms such as “opt in” mechanism if we don’t know yet what this would mean. It might be better to state clearly that the benefit sharing mechanism is yet to be developed, and describe the processes through which it will be developed (if the consultations will provide inputs on the mechanism etc).

- d) The link between the LCDS and REDD+ should be clarified. It might be useful to emphasize that the JCN is a bilateral agreement between Norway and Guyana, and the GRIF activities are REDD+ readiness activities.
 - e) Developing a national grievance mechanism should be described further. The Indigenous Peoples' Commission (IPC) could be a platform for the grievance mechanism for the indigenous groups, however the mechanism should not exclude other communities, and another platform may be needed for example for miners.
 - f) The team agreed to send the detailed comments / edits to R-PP by end of February.
- **Safeguard issues:** The most complex issues for the project to address in the development of the national REDD+ mechanism relate to potential impacts on lands, territories, and indigenous rights and consultation processes. These issues include how to address lands claimed by indigenous peoples but not yet allocated, the effects of changes in land use in State Forest for which indigenous peoples retain use rights, and how to manage the situation in the Mazaruni, Region 7 which is presently before the courts.
 - It would be important to ensure the capacity exists to effectively implement consultations with indigenous peoples for the development of the REDD+ package. During the mission it became clear that the preference, especially among the NTC and the NGOs, is to carry out the consultations with NTC and all four indigenous NGOs. GFC agrees that the NTC is not viewed as sufficiently independent from the government, and the NGOs would be better positioned to carry out the actually ground work in some areas. However, in order to do this, the both NTC and the NGOs would need additional institutional strengthening. Capacity building for National REDD+ Working Group (NRWG) members is included as a component of the FCPF project, but it might be also necessary to explore other funding options for the capacity building component.
 - **Other actors working on initiatives relevant for the readiness process:** The Monitoring, Reporting and Verification (MRV) and the reference level (RL) components are carried out by KfW and Conservation International; Clinton Climate Initiative also has another component on the RL. In addition, the Office of Climate Change (OCC) is working on the benefit sharing mechanism. The mission was not able to get clarity on the actual work that is being done under the RL and the benefit sharing components, and additional clarity on these components will be essential for designing the FCPF project. The GFC recommended that the team should discuss the benefit sharing mechanism, approach to reference levels, and the interrelations between the FCPF, LCDS, and GRIF with the OCC.

- **MNRE and the new institutional arrangements:** The role of the new Ministry is still being established; it would be taking a coordinating role on all the natural resources agencies, and most possibly it will also be taking over the role of the The Natural Resources Natural Resources and Environment Advisory Committee (NREAC). It might be an opportunity to use the MNRE to push the REDD+ agenda further, as there seems to be a need for deeper coordination among agencies, and currently the REDD+ secretariat (RS) does not have the capacity or the political basis to ensure that REDD+ is fully incorporated in land use planning and other sectoral plans. Although the FCPF project has a component on capacity building for the RS, it might also need some additional political support to be able to reach the other sectoral agencies. This is something to be explored by the GFC, ie. how they would position RS in this new institutional framework.
- **FCPF project components:** The components for the FCPF project were also discussed, and they would follow the general lines as detailed in the R-PP. The mission team will be drafting a TC profile based on the discussions.

2.4 Meeting with the Minister of Natural Resources and Environment, Mr. Robert Persaud.

- The Minister expressed his disappointment with the delays in the implementation of the project, and indicated that the GOG had hoped that switching the Delivery Partner from World Bank to IDB would speed up the process. The team explained the reasons for the current delays, as we are currently waiting for the FCPF Participants Committee resolution on enhancing capacity on dispute resolution, and therefore are unable to proceed with the transfer agreement with the World Bank. However, it is expected that this issue will be resolved during the coming months.
- The Minister emphasized the role of the new Ministry in coordinating land use and natural resource management in Guyana. This will include the establishment of the Protected Areas Commission and development of policy to address the challenge of multiple land uses.
- The Minister indicated his interest and willingness to search for solutions to the issue of land rights, especially the existing land claim court case in the Upper Mazaruni. He also recognized the importance of this matter to the FCPF project, as the team explained that in order to be compliant with the IDB and WB safeguard policies, there would be a need to demonstrate a mechanism to resolve the issue. The Minister explained that the situation was complex and would require complete assessment by the Government. The Minister also indicated that it was a priority for the Ministry to coordinate land use including the overlaps of mining concessions and Amerindian lands and land extensions.
- The Minister also supported the idea of developing and strengthening the National Toshios Council as a focal point for natural resource management and indicated that budgetary processes are in place for supporting the Council through the Ministry of Amerindian Affairs.

2.5 Environmental Protection Agency (EPA). Persons met: Marle Reyes Piantoja; Melissa Persaud. Main topics discussed:

- The Environmental Management Division of the EPA is responsible for the Environmental Impact Assessments (EIAs) for the authorization of the large scale mining and large forestry projects (Timber Sales Agreements larger than 60,000 Ha), which also require an Environmental Site Assessment (ESA) and an Environmental Management Plan (EMP). Small and medium scale projects do not require EIA and are authorized directly by GGMC and GFC with an MOU established between the EPA and GGMC for the management of environmental issues. Because there are insufficient resources to cover the interior of Guyana, managing the environmental and social impacts of small scale mining and forestry depend on the GGMC and GFC respectively, the cumulative impacts of small scale mining and forestry has not been addressed.
- EPA also does not address agricultural projects (except aquaculture). The current EIAs do not include Climate Change aspects, although climate change is being incorporated in the EIA process. In addition, there is no process for undertaking Strategic Environmental Analyses under the existing legislation.
- EPA indicated some stakeholder concerns that the additional costs for environmental compliance of smaller operators related to REDD+ might exclude them.
- The gap analysis under GRIF should cover the capacity issue of EPA as well. They also indicated that they had not seen the draft TORs for the SESA for the FCPF.

2.6 Meeting with National Tshaos Council (NTC), The Amerindian Action Movement of Guyana (TAAMOG), National Amerindian Development Foundation (NADF). Persons met: Yvonne Pearson (NTC), Peter Persaud (TAAMOG), Ashton Simon (NADF and MNRE).

- All indicated that they were members of the national Multi-Stakeholder Steering Committee for the LCDS. Peter Persaud indicated concerns and frustration about the slow implementation of the FCPF process including concerns about when the R-PP would be implemented and that there was a risk of losing political will and support. Peter also indicated the need for effective consultation with indigenous people to discuss potential impacts on traditional activities including rotational agriculture and benefit sharing arrangements and expectations.
- Ashton Simon indicated that he was also working with the new MNRE and that there was a strong focus on developing policies to coordinate and regulate mining, forestry and other land uses and to address issues arising from overlapping extractive industries with actual and extended indigenous lands.
- Yvonne Pearson emphasized the need to address overlapping land uses, particularly mining, and to move forward the titling and demarcation processes.

Consultations:

- The team discussed with NTC and the two indigenous NGOs the proposal to carry out the consultations with indigenous communities through NTC. The organizations generally agreed, but would require the participation of all the NGOs in the actual consultation process.
- The close relationship of NTC with the Ministry of Amerindian Affairs is a challenge because of concerns about independence of the NTC, and the feeling was to try to leave the government out of the consultations. They stressed that it would be important to get all the NGOs and the NTC around the table and start talking to develop the process for consultations.
- There must be capacity building for the organizations. APA is the only one of the indigenous NGOs that has staff. The NTC has the Tshaos, and a budget from the ministry of Amerindian affairs. A concern was raised that the absence of independent financing meant it was difficult for the NTC to act independently of the Government. The Amerindian Act mentions establishing a secretariat for the NTC. The other NGOs have no budget.
- It will be important to build on the existing consultations mechanisms, as there have been extensive consultations for example for the LCDS. There are also guidelines for consultations that have been produced by some of the NGOs.

Main issues/risks identified:

- High expectations created by the consultations, and lengthy process.
- The overlapping of the mining and Amerindian lands, and communities that have not received the titling and the demarcation.
- There are 96 villages that are titled, but there are many disagreements regarding the boundaries of the lands, and whether the demarcation was done for the traditional lands or ancestral lands. It would be important to include an indigenous rights lawyer as a member of the team for the SESA.
- NTCs point of view is that also the indigenous communities need to compromise on the land demarcation. In case of the Upper Mazaruni land case, they point out that it is difficult to reach the leaders, as they are not willing to listen until the matter is settled. The organizations thought that we should at least start the information sharing process with these communities. However, the indigenous organizations have differing positions on this aspect. These groups believe that APA is informing the communities that the government will take away their lands with the REDD+ activities.
- There is also another case of a road that was constructed through by Tamakay mining enterprise through Isseneru lands.

2.7 **Conservation International.** Persons met: Dr. David Singh, Curtis Bernard, Tim Laing. Main topics discussed:

- Need for resolution of the Mazaruni land case.
- Need to address additional land issues including in the southern Rupununi (Wapisiana).
- Concern about the effectiveness of the land titling process to date.
- Concern about private agreements with communities leading to leakage of mining and forestry into indigenous lands with no environmental management.
- Need to address the impacts of REDD+ on, and concerns of, other forest users including small scale miners and foresters.
- Concerned about the lack of understanding at a national level of the collective indigenous rights.
- Need for institutional review of legislation including the Amerindian Act.
- Need to clarify the relationships among the LCDS (national framework), R-PP and GRIF (mechanism to deliver funds to projects).
- Need to clarify the relationships among the PMO, OCC, and new MNRE.
- Need to modify the Multi-Stakeholder Steering Committee to ensure its function as an independent stakeholder steering committee for the LCDS.
- Interest in working to support capacity building for indigenous organizations – post March 2012 when elections would be held for villages.
- Have developed and implemented a community training manual on REDD+ and undertaken training workshops in the Rupununi. They are especially interested in the FPIC process and how can we demonstrate the application of FPIC in the national context.

2.8 **Amerindian Peoples' Association.** Persons met: Ms. Jean LaRose, Lawrence Anselmo, and team. Main topics discussed:

- Concerns about the independence of the NTC executive from the Ministry of Amerindian Affairs and political influences.
- Important that the NTC work with NGOs in the development and implementation of the consultation process with indigenous communities.

- Concerns about the land titling and extension process, including the titled and extended lands have mining concessions already allocated – for example the case in Isseneru where there is a court injunction against the GGMC and the indigenous community; a second case in Karaballi was mentioned where a logging concession is situated on lands claimed as part of an extension.
- Concerns that the land titling and extension processes are arbitrary rather than based on clear criteria and professional anthropological inputs, additional concerns that the demarcation processes have been poorly implemented with some documentation of errors.
- Need for effective land use planning, including in lands that are used or claimed by indigenous peoples.
- Need for the consultation process to clearly explain the risks associated with REDD+ and the LCDS, rather than just focusing on the benefits.
- Need for the consultations to follow international best practices including undertaking consultations in local languages and providing sufficient time for informed consent.
- Need for region specific approaches to consultations – e.g., what may work in Region 9 may not work in Region 7.
- Keen to see analysis and revision of the process of allocation of Amerindian Lands and review of the sections of the Amerindian Act that address the land titling and extension allocation process.
- Need to ensure that the Government presents a consistent story to the communities, concerns that the proliferation of mining and logging concessions is not consistent with the Norway-Guyana REDD arrangements.
- Described the Upper Mazaruni Arecuna/Akawaio land case, which began in 1998 as a result of rapidly increasing mining interests in the area; the case is based on resource use maps prepared by the communities with the support from anthropological and archaeological analysis and experts such as Tom Griffith and Audrey Butt Coulson; the case has taken ten years to be heard because of a backlog in cases before the High Court; there have been past failed attempts to negotiate resolution.

2.9 **Guyanese Organization of Indigenous Peoples (GOIP).** Persons met: Colin Klautky Dr. George Norton, and team. Main topics discussed:

- GOIP supported consultations completed to date on the LCDS, but indicated that these have been insufficient and need to be presented in local languages and at a level that is easily understandable and delivered by people who have been trained to communicate.

- Expected resolution of the Upper Mazaruni land case and expressed solidarity with the case.
- Members of the Multi-Stakeholder Steering Committee of the LCDS but concerned at the over-representation and dominance of the forum by Government.
- Need to consider other social groups including small scale loggers that may be affected.
- Need to ensure effective additional information transfer, there has been insufficient information available in appropriate formats during previous consultations.
- Expressed concerns about movement of funds for benefit sharing through the Government rather than through independent organizations.
- Expressed concerns about the independence of the NTC which tends to repeat Government information and has become too political and may be influenced by being located within the Ministry of Amerindian Affairs.
- NTC alone will not be able to implement the consultations effectively, should work with the NGOs to implement the indigenous consultations by identifying key resource persons and incorporating them into the consultation process.
- Indicated concerns about the use of the term Amerindian, and preferred the term indigenous peoples.
- Concerned about the risks for indigenous peoples associated with mining – contamination of water ways particularly in areas like Konawaruk.
- Concerned that forestry concessions are being given out to larger scale operations while individual chain saw loggers are being prosecuted by the GFC.

2.10 **Guyana Geology and Mines Commission (GGMC).** Persons met: Kampta Persaud, Rickford Vieira, Derek Babb, Karen Livan. Main topics discussed:

- Mining is key to the GDP in Guyana and there are substantial concerns within the mining community about REDD+ including the risks to small miners who tend to be low-skilled and require little capitalization to enter into mining; REDD+ could increase the environmental requirements excluding small miners from opportunities. The GGMC sees REDD+ as a restriction to the sector, not as an opportunity.
- The new requirement of providing six months notice to forestry operations before proceeding with mining met with substantial resistance within the mining community.

- The Mining Act defines mining operations according to size and also provides for environmental management for mining; Most gold and diamond miners fit into medium scale, which are better organized and sensitive to the environmental regulations than the small scale miners. Most have pumps and excavators, and move quickly from small scale to medium scale.
- Medium scale mining tends to be better capitalized and perhaps better managed from an environmental perspective; small scale mining is difficult to monitor and ensure adherence to environmental regulations with perhaps only 25% of operations presently covered.
- The environmental regulations for mining include the need for reclamation and reforestation and minimization of environmental damage – however, it is difficult to ensure implementation with few staff to cover huge areas; there are plans in place to recruit new staff to fill this gap to move from 56 to 150 field officers through the 6 mining districts and to increase the number of GGMC stations from 14 to 26.
- GGMC has also been working on experimental demonstration sites for restoration and reforestation.
- GGMC has been working with a multi-stakeholder committee to examine and coordinate land use which should be based on a good assessment of mineral availability and suitability for extraction – this up front planning process would minimize environmental impacts.
- GGMC is focusing on two strategies to improve environmental management in mining: (1) implementing the requirements stipulated under the existing laws through increasing GGMC field presence and enforcement, increasing of awareness of the requirements, and providing demonstration models showing cost effectiveness; (2) systematizing mining exploration to estimate and spatially map the resources to reduce collateral environmental damage.
- GGMC covers environmental management in small and medium scale management under the mining regulations; large scale mining operations require an ESIA and ESMP which is developed with the EPA.
- GGMC is also working toward the ban on the use of mercury through improving recovery rates and supporting environmentally friendly approaches to recovery of gold.
- GGMC estimated there to be between 9,000 and 12,000 individuals directly involved in mining.

- GGMC also indicated that national policy had dictated a reduction on the availability of new mining properties, however this and the high price of gold has increased the frequency of illegal mining operations in Guyana.
- The consultation process for REDD+ must include the mining sector and would need to be carefully developed and consider what potential benefits the process could bring to small and medium scale miners.
- There are several existing conflicts in land use between mining and forest use and between mining and extended indigenous lands; GGMC also indicated a concern that mining regulations may not be applied in indigenous lands though they should be, the increased regulation of mining in state lands may shift mining toward indigenous lands.

2.11 **Iwokrama.** Persons met: Raquel Thomas (Iwokrama) and Andrew Mitchell (GCP).
Main topics discussed:

- The Global Canopy Programme (GCP) is working with Iwokrama on a community based MRV system, to develop data gathering and monitoring protocols. With the project, they are trying to understand how to meet the community needs and the government need in data gathering, through a community level, bottom up approach.
- They are working with the Anai community demonstration site for monitoring carbon and other ecosystem services, linking this with the national MRV system. They also work on a GIS database for the MRV. They are currently testing mobile phones with built in GPS with open datagate software with the communities.
- The benefit sharing was also discussed with Iwokrama and GCP in broad terms, as there is a general lack of clarity on this. It was not yet very clear how this community level would be linked in the national MRVS, and what is the RL they would be using at community level.

2.12 **WWF.** Persons met: Patrick Williams. Main topics discussed:

- WWF is supporting GFC in carbon stock assessments, with a project linked to the Norwegian assessment.
- They also have projects on capacity building for MRV, and they are working with Amaila biodiversity assessment, education and awareness.
- They currently have funds to respond to the needs of GFC.
- WWF is also working with GGMC on the demonstration plots for mining sites, however they are only involved with the ones with native species. Rehabilitation is expensive.
- There is a clear need for better land use planning and proper zoning.
- The LCDS / REDD+ awareness and consultations must be inclusive, should involve all the indigenous organizations.

2.13 Guyana Land and Surveys Commission (GLSC). Persons met: Doorga Persaud and team. Main topics discussed:

- With €3M financing from the EC, GLSC is developing a framework for national land use planning and have developed three regional land use plans for Regions 1, 2, and 10; this framework will be developed through consultations with Government agencies followed by consultations in the Regions to look at land use options; the spatial information for this work is being finalized but does not yet incorporate values of carbon for REDD+.
- The importance of including REDD+ as another layer in the land use planning was discussed, and was received well by GLSC.
- GLSC is on the board of GGMC and have been involved in looking for solutions for cases of overlapping land use including the Isseneru case with Tamakay Resources.
- GLSC has also established a dispute resolution committee that includes the MNRE, MOAA, GGMC, and GFC to address conflicts in land use; there is also a dispute resolution mechanism supported by USAID for the High Courts to allow mediation on land use conflicts.

III. NEXT STEPS

- **R-PP revision:**
- 3.1 The team submitted the general comments on the latest version of the R-PP to the GFC. GFC will be including these updates in the revised version.
 - 3.2 The team will send the final edits and comments in the R-PP by the end of February, in order to facilitate the finalization of the R-PP.
 - **FCPF:**
 - 3.3 As a parallel process, the team will draft the TC profile for the FCPF process, based on the discussions with GFC on the specific components of the project. The draft will be submitted to GFC for their comments.
 - 3.4 The way the RL will be constructed will be critical for the project activities and the benefit sharing mechanism. There does not seem to be clarity among stakeholders on the details of the RL or the benefit sharing mechanism. The team will follow up with a teleconference with the Office of Climate Change (OCC) on these topics, as well as on the institutional arrangements.
 - 3.5 GFC will explore options on how to position the REDD+ secretariat in the new institutional framework, in order to maximize the political momentum that the MNRE could give for lifting the REDD+ agenda, and ensuring better intersectorial coordination is needed, and that REDD+ opportunities are integrated in the land use plans and the sectoral plans.

