

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**GUYANA**

**FOREST CARBON PARTNERSHIP FACILITY PROJECT IN GUYANA  
(GY-T1097)**

**TC DOCUMENT**

The project team that prepared this document is comprised by: Juan Chang (INE/CCS), Team Leader; Helena L. Piaggese (INE/RND); Rodrigo Martinez (INE/CCS); Marisol Inurritegui (RND/CGY); Richard Raghoo (CCB/CGY); Graham Watkins (INE/CCS); Maria Da Cunha (VPS/ESG); Naveen Jainauth-Umrao (FMP/CGY); Roy Parahoo (FMP/CBA); Bernardita Sáez (LEG/SGO); and Milagros de Pomar (INE/CCS).

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**I. BASIC INFORMATION ON THE TECHNICAL COOPERATION**

▪ Country/Region:	Guyana
▪ TC Name:	Forest Carbon Partnership Facility Project in Guyana
▪ TC Number:	GY-T1097
▪ Team Leader/Members:	Team leader: Juan Chang (INE/CCS) Team members: Helena L. Piaggese (INE/RND); Rodrigo Martinez (INE/CCS); Marisol Inurritegui (RND/CGY); Richard Raghoo (CCB/CGY); Graham Watkins (INE/CCS); Maria Da Cunha (VPS/ESG); Naveen Jainauth-Umrao (FMP/CGY); Roy Parahoo (FMP/CBA); Bernardita Sáez (LEG/SGO); and Milagros De Pomar (INE/CCS)
▪ Date of TC Abstract authorization:	7/30/2013
▪ Beneficiary:	Co-Operative Republic of Guyana
▪ Executing Agency and contact name:	Guyana Forestry Commission (GFC); Pradeepa Bholanath, Head – Planning and Development Division
▪ Donors providing funding:	Readiness Fund of the Forest Carbon Partnership Facility (FCPF)
▪ IDB Funding Requested:	US\$3,800,000
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (that includes the execution period):	4 years (3.5 execution period)
▪ Required start date:	December, 2013
▪ Types of consultants:	Consulting firms and individual consultants
▪ Prepared by Unit:	INE/CCS
▪ Unit of Disbursement Responsibility:	CCB/CGY
▪ TC Included in Country Strategy (y/n):	Y
▪ TC included in CPD (y/n):	Y
▪ GCI-9 Sector Priority:	Protect the environment, respond to climate change and promote renewable energy

**II. OBJECTIVES AND JUSTIFICATION**

- 2.1 **Objectives.** The objective of this operation is to assist the Government of the Co-Operative Republic of Guyana (GoG) in their efforts to establish an enabling framework and build their capacity for Reducing Emissions from Deforestation and Forest Degradation (REDD+) by providing financial and technical assistance. Specifically, this Technical Cooperation (TC) will support: (i) improvements in the organization of the country for REDD+ readiness, including stakeholder consultations; and (ii) the preparation of the Guyana REDD+ Strategy to facilitate Guyana’s access to additional funding under performance-based incentives.
- 2.2 **Background and justification.** The Collaborative Fund for Forest Carbon Partnership Facility (FCPF) was established in 2008 to finance REDD+ preparatory activities, and as a funding alternative for countries that demonstrate the reduction

of greenhouse gases from deforestation and forest degradation. The World Bank (WB) was selected to act as trustee and secretariat of the FCPF. The GoG submitted to the WB a Readiness Preparation Proposal (R-PP) to implement the activities detailed in this proposal in sections 3.1 and 3.2. This proposal was approved by the Participants Committee of the FCPF in June 2009 and is an integral part of Guyana's Low Carbon Development Strategy (LCDS).

- 2.3 Guyana has approximately 87% of its land area, 18.5 million hectares, covered by forests (GFC and Poyry, 2011). Guyana has relatively low historical rates of deforestation, but if incentives are not directed to control deforestation and degradation, the deforestation rate and its associated emissions may significantly increase. The R-PP identified five key drivers of deforestation in Guyana: (i) forest clearance activities; (ii) mining; (iii) infrastructure; (iv) agricultural conversion; and (v) fire (all considered anthropogenic). While much of the forested area suitable for conversion remains intact, there is growing demand globally for: mineral resources, agricultural products and tropical timber, increasing the risks of land use change. Furthermore, access to Guyana's forests may increase in the coming years, as a highway from Brazil through southern Guyana to the north coast may be built.
- 2.4 **Alignment with Bank's strategy.** This TC supports the fifth sector priority of the Bank's Ninth General Capital Increase (GCI-9) (to protect the environment, respond to climate change, promote renewable energy, and ensure food security). The project complements other investments supporting the LCDS and REDD+ in Guyana, such as "Institutional Strengthening in support of Guyana LCDS" (GRT/GF-13172-GY), funded by the Guyana REDD+ Investment Fund (GRIF); "Supporting Guyana's LCDS" (ATN/SF11788-GY); and "Developing Capacities in Implementing REDD+" (ATN/SF-12553-GY). Also, this project is aligned with IDB Country Strategy with the GoG 2012-2016, which aims to increase environmental governance and capacity to administer natural resources in a sustainable way.

### III. DESCRIPTION OF COMPONENTS AND BUDGET

- 3.1 **Component 1: Institutional arrangements and consultations for REDD+ readiness.** This component seeks to strengthen the efficacy, accountability and transparency of the national readiness management and institutional arrangements, and increase stakeholder consultation and participation in REDD+ implementation. The following activities will be supported:
- a. **Establishment and operationalization of national readiness management institutions and arrangements,** including the REDD Secretariat (RS), the National Toshias Council (NTC), the National REDD+ Working Group (NRWG), and a national conflict resolution mechanism. **(i) Support the establishment of a functional RS:** This activity will support the strengthening and capacity-building of the RS. The TC will reinforce the coordination and implementation capabilities as detailed in the R-PP. Recruitments will include a Director, Program Coordinator, Technical Coordinator, six Project Officers and 14 Field Assistants. When applicable according to the Bank's policies, these consultants might be hired through single source selection from previous RS staff members, considering the unique experience accumulated by them and

knowledge for the time they have been performing at the RS.<sup>1</sup> The TC will finance workshops and travel expenses for consultants to attend meetings to enhance the coordination of the RS, with REDD+ institutions. **(ii) Provide institutional strengthening and capacity building for the NRWG:** This activity includes support to the NTC and four Amerindian Non-Governmental Organizations (NGO), and community leaders. It intends to assess the current institutional capacity of the NTC and provide institutional strengthening and capacity building so it is able to support consultation on REDD+ with forest-dependent Amerindian communities and villages. It will provide office space for three permanent consultants and a space for meetings of 20 council members. It includes training to NTC and NGO members in REDD+; LCDS; Monitoring, Reporting and Verification Systems (MRVS); and accounting. In order to enable the NTC and Indigenous NGO to effectively participate in NRWG activities, office and communication equipment and materials will be provided. **(iii) Development and establishment of a national conflict resolution strategy:** This TC will finance a consultant who will design, develop, consult and disseminate information to enable the GoG and the REDD+ stakeholders to develop a functional and efficient conflict resolution/grievance mechanism for REDD+. It will be based on existing legislations, structures and systems including that provided in the Amerindian Act 2006. An assessment of existing formal and informal feedback and grievance redress mechanisms will be performed as a basis to define the scope, functions and components. The TC includes workshops with stakeholders, and will finance travel arrangements for stakeholders participating in consultations and development, and launching of the mechanism.

- b. **Stakeholder consultations and participation.** This activity aims to ensure that key stakeholders understand REDD+ and have strong participation in the readiness process and the REDD+ Strategy development. It will ensure that consultation processes are: clear, inclusive, transparent and facilitate timely access to information in a culturally-appropriate form. The following activities will be implemented. **(i) Development of a communication, outreach and consultation strategy and action plan.** A firm will be hired to conduct consultation and stakeholder engagement on REDD+ readiness activities in Guyana, and develop an outreach and consultation strategy, and an action plan for REDD+ Strategy implementation. The outreach and consultation strategy will guide the executing of consultations and will cover cost, logistics, culture, language and customs. The plan will include detailed outlines of sessions to be conducted such as specific agenda, target groups, and specific approach to be used in outreach. It will also formulate a map of stakeholders, and prepare a formative research and communications needs assessment. The TC will finance cluster workshops, travel expenses for groups to participate, dissemination materials, translation of documents, and preparation of proposals and mechanisms for integration in the REDD+ Strategy. **(ii) Implementation of the communication, outreach and consultation strategy and action plan and**

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<sup>1</sup> A potential list of the staff or consultants to be considered for the different positions is included [here](#).

**conduction of consultation activities.** This activity will ensure that REDD+ institutions and management arrangements are transparent, consistent, comprehensive and guarantee the timely sharing and disclosure of information related to all Readiness activities. The results of consultations will be integrated in the REDD+ Strategy. **(iii) Disseminate materials for consultations through various media.** The TC will also support the development of communication and outreach materials and outreach activities. Dissemination will involve urban and rural stakeholders, by distributing information packages (posters, booklets, presentations, newspapers advertisement, newsletters, infomercials, internet outreach, radio, etc.).

3.2 **Component 2: REDD+ Strategy and implementation framework.** The objective of Component 2 is to prepare the country to implement the REDD+ Strategy to: (i) verify and characterize the key drivers of deforestation and forest degradation identified in the R-PP, and design conservation and sustainable forest management activities that reduce emissions; (ii) identify how current land use, and forest law, policy and governance structures impact on the drivers of deforestation and forest degradation; and (iii) propose alternatives for mitigating the identified drivers and responding to impacts. The following subcomponents and activities will be financed through this TC:

- a. **REDD+ Strategy options developed. (i) Identify/Design REDD+ Strategy options.** This TC will finance a consulting firm that will identify and propose effective incentives for the implementation of actions to maintain Guyana's deforestation rate, while building support for REDD+ nationally. The consultancy will prepare an assessment of deforestation and forest degradation. It will identify, design and assess REDD+ Strategy options, support the implementation of REDD+ pilot activities, and design the national REDD+ Strategy. **(ii) Prepare the REDD+ Strategy options papers.** This activity will involve the elaboration of the strategy options and will go beyond the identification and design stage. It includes the integration of a feasibility assessment and a cost benefit analysis. **(iii) Analyse the investments necessary to implement REDD+.** The TC will finance an assessment of the capacity and financial needs of local REDD+ institutions, and of the investments and tools required to build capacities. It will be based on the Institutional Capacity Assessment document prepared by GFC for the FCPF on April 2011. It will assist in this respect the: Guyana Geology & Mines Commission (GGMC), Guyana Lands & Surveys Commission (GL&SC), Environmental Protection Agency (EPA), and other relevant authorities, communities and Indigenous People (IP). **(iv) Design and development of REDD+ pilot projects.** The TC will support the design of at least three small scale pilot projects in the sectors of: logging, mining and community involvement in REDD+. The pilots will test options and generate information for the analysis of the alternatives to address each deforestation driver in the three sectors. The pilots will include the safeguards and, during the design phase, criteria for the selection of pilots, including environmental and social will be identified. Each pilot will be accompanied by relevant studies and workshops to ensure that lessons learned are appropriated and analyzed. **(v) Conduct studies, workshops and study**

**tours, including trade off analysis.** Specific areas of study in implementation of pilots as well as in the design stage will be conducted. One study to be conducted is the effectiveness of enrichment planting as a way to address forest degradation. Another study will focus on testing the effectiveness and practicality of Reduced Impact Logging in small scale concessions and indigenous areas. Workshops and study tours may focus on engaging stakeholder to better understand and explore these and other areas.

- b. **REDD+ implementation framework.** This will support the development of the institutional framework that will coordinate the REDD+ programs and ensure multi-stakeholder participation during the implementation phase. (i) **Train on the interpretation and implementation of natural resource legislation, policies, and guidelines, including safeguards.** This TC will finance the training of government officials and civil society by hiring an international consultant or firm that will assess local institutional capacities and develop a training plan to enable relevant institutions to interpret and implement natural resources legislation, policy and guidelines for REDD+ implementation, including environmental and social safeguards. (ii) **Establish a communication link with other countries to enable the sharing of ideas and lessons learned.** The TC will finance workshops and travel arrangements for REDD+ management units, participants and stakeholders in the REDD+ to participate in international forums, and the exchange of information with peers in other countries. (iii) **Analyse land tenure and carbon ownership to inform the allocation of benefits and rights.** This TC will finance a consultant that will create guidelines for carbon rights, as well as management for the implementation of REDD+ in Guyana, including: (i) defining the nature of carbon rights that apply to the land tenure types and management practices in Guyana's forest lands; (ii) identifying the steps for the establishment of carbon rights allocation; and (iii) identifying land tenure and management linkages for the implementation of REDD+ in Guyana. This activity will be done in conjunction with Component 1b Stakeholder consultations and participation. (iv) **Establish an equitable and mutually agreeable benefit sharing mechanism.** The TC will finance a consultant or firm to: (i) develop a transparent benefits sharing mechanism for REDD+; (ii) design the regulatory and/or incentive framework and performance-based benefit sharing scheme for Amerindian communities; (iii) define regulatory and/or performance benefit-sharing schemes for other key groups of stakeholders (e.g. forestry and mining). The consultant will identify the requirements of international best practices for benefits sharing, including safeguards and opportunities, and challenges for the design of the benefit sharing mechanism. This activity will include travel for consultants and participatory workshops.
- c. **Strategic Social and Environmental Assessment (SESA).** (i) **Develop SESA studies and reports, including the review of the legal and policy framework.** The TC will hire a firm to conduct the SESA. The SESA will help to ensure compliance with the applicable safeguards by integrating key environmental and social considerations relevant to REDD+, including all those covered by the applicable safeguards set forth in the document "Common Approach to

Environmental and Social Safeguards for Multiple Delivery Partners” ([Resolution PC/9/2011/1](#)). The SESA will help Guyana formulate their REDD+ Strategy in a way that reflects inputs from key stakeholder groups and addresses the main environmental and social issues. **(ii) Develop an Environmental Social and Management Framework (ESMF):** The consultancy will elaborate the ESMF as a stand-alone document, which will provide a framework for managing and mitigating the potential environmental and social impacts, and risks related to REDD+ activities, investments and carbon finance transactions. The TC will finance workshops and consultations with indigenous groups.

3.3 **Component 3. Monitoring and evaluation of readiness activities.** The objective of this component is to provide a monitoring and evaluation framework for the implementation of this TC in Guyana by: (i) designing a monitoring and evaluation framework; and (ii) developing progress reports. The TC will finance workshops and travel to support fulfilment of these objectives. The RS will coordinate the preparation of monitoring and progress reports according to the requirements of FCPF. Reports will be based on the Results Based Framework of this TC and other reporting requirements from the FCPF such as the Mid-Term report.

3.4 The table below presents the expected results of the different components.

Indicative Results Matrix		
Outcomes/Result	Indicator	Means of Verification
<b>Outcome 1:</b> RS targets of the sustainability plan implemented that makes the RS capable of implementing REDD+.	2013 = 40% 2017 = 80%	Capacity needs assessment and sustainability plan for the RS, March 2013. Measure of accomplishment of Tables 3 and 4.
<b>Outcome 2:</b> R-PP implementation, as documented in R-PP version December 2012, on track and being implemented according to approved schedule of activities. Indicator: Ratio of actual physical advance to planned physical advance	2013 = 0% 2017 = 100%	Final evaluation of the project.
<b>Outcome 3:</b> ESMF actions being implemented.	2013 = 0% 2017=100%	Compared with planned actions

3.5 The preparation proposal for REDD+ will take three and a half years from the date of signature of the Non-Reimbursable Technical Cooperation Agreement with the GoG. The total amount of the project is US\$3.8 million charged to the resources of the FCPF.

Indicative Budget		
	Description	BID/FCPF
Component 1	Institutional arrangements and consultation for REDD+ Readiness	2,136,000
Component 2	REDD+ Strategy and Implementation Framework	1,589,000
Component 3	Monitoring and Evaluation of Readiness Activities	75,000
Total		3,800,000

#### IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 **Executing Agency.** The Guyana Forestry Commission (GFC), under the Ministry of Natural Resources and Environment is responsible for the management and regulation of Guyana's State Forest Estate and overseeing the implementation of key technical aspects of REDD+ activities in Guyana. Within GFC, the RS has been established to oversee the implementation of REDD+ activities in the country.
- 4.2 RS will be responsible for: (i) the coordination of all national technical REDD+ activities detailed in the R-PP; (ii) develop terms of reference for all consultancies under the project; (iii) act as the permanent secretariat of the NRWG; and (iv) designate a project coordinator, which will be a condition for the first disbursement.
- 4.3 **Coordination with other agencies.** In executing this function, the RS will also work in close collaboration with the Multi Stakeholder Steering Committee (MSSC) of the LCDS and the NRWG. The RS will report directly to the GFC as well as the NRWG. While the RS is under the administrative management of the GFC, it will operate in close partnership with other sector agencies among them the Office of Climate Change (OCC), the GGMC, the GL&SC, and the EPA. The Financial Division of GFC will provide financial and procurement services to the RS and will be responsible for the financial administration of the TC.
- 4.4 The RS will liaise with the NTC as the democratically elected representative of Amerindian Villages and Communities. The GoG has engaged the NTC in the execution of activities under the LCDS overall and the REDD+ pillar in particular. The NTC will conduct consultation and outreach activities on REDD+ in the Amerindian communities, together with the Amerindian NGO. Further, the NTC will be integrally involved in all aspects of REDD+ implementation, including being a member of the MSSC of the LCDS as well as a member of the MRVS Steering Committee.
- 4.5 **Procurement:** The selection and contracting of consulting services will be done by the Executing Agency in accordance to GN-2350-9 (Policies for the Selection and Procurement of Consulting Services Financed by the IDB), while the procurement of goods and related services will be carried out in accordance with document GN-2349-9 (Policies for the Procurement of Goods and Works Financed by the IDB).

#### V. ISSUES AND RISKS

- 5.1 The project risks stem mainly from the fact that REDD+ Readiness work is broad-based, cutting across several sectors of the economy and involving a wide range of stakeholders. National REDD+ policies have to deal with land administration and tenure. Also with nationwide land-use planning and existing use rights and customs, forest management, extractive industries, livelihoods of forest dependent communities, and infrastructure. The Guyana REDD+ Strategy will need to achieve sufficient political support and momentum in order to influence the cross-sectorial, local and national planning processes. This requires certain governance elements that may not be fully developed due to the lack of coordination between different institutions and sectors for areas of REDD+, as well as the current positioning of the RS in the political arena. To mitigate this risk, the



project's Component 1 will bring together the institutions involved in planning in Guyana in the process of the development of the REDD+ Strategy, in an effort to strengthen the institutional framework for REDD+ implementation.

- 5.2 Another risk is the possible limited participation of certain key stakeholder groups, such as the Amerindian communities or mining communities. To mitigate this risk, the project invests heavily in public outreach, communication and stakeholder consultation, to involve all sectors, in particular Subcomponent (1)(a)(ii) aims at building the capacity of indigenous NGO and the NTC to support consultation processes and outreach, and support the National REDD Working Group where other stakeholders participate. During project execution, careful assessment of the level of representation of different interest groups will be done, in order to achieve their meaningful participation and avoid conflicts and miscommunication regarding the REDD+ Strategy.

## VI. EXCEPTIONS TO BANK POLICY

- 6.1 None.

## VII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 7.1 This project has been classified as a Category B because of the potential for significant social risks inherent in the design of a national REDD+ program in countries with a large percentage of indigenous people (see the [Safeguard Policy Filter Report](#) and the [Safeguard Screening Form](#)). The specific risks include the need to fully involve all potentially affected parties in consultations, ensure that a full evaluation has been completed to determine the seriousness of potential adverse impacts on physical and food security, lands, territories, resources, society, rights, the traditional economy, way of life and identity or cultural integrity of IP, and, in the case of adverse impacts being identified, establish agreement with affected IP through good faith negotiations to address adverse impacts. The funds from this TC will support consultation processes with affected parties.
- 7.2. The Beneficiary will execute the Project in accordance with the IDB's Environmental and Social Safeguard Policies,<sup>2</sup> the Common Approach to Social and Environmental Safeguards<sup>3</sup> and the applicable local legislation (the Environmental and Social Safeguards). To this end, the Grant Agreement will set forth the Beneficiary's commitments to: (i) implement the *Common Approach*, including the development of the social and environmental studies and the consultation processes needed to support the achievement of the enabling conditions for REDD+ as an integral part of the development and execution of the R-PP entirely in accordance with the Common Approach, which the Beneficiary acknowledges to know and understand and commits to comply with fully, and will implement the actions necessary to comply with the agreements between the IDB and the FCPF with respect to ex-ante review and verification of implementation

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<sup>2</sup> OP-703, OP-710, OP-765, OP-704, and OP-761.

<sup>3</sup> Approved by resolution PC/9/2011/1 of the FCPF Participants Committee that establishes a common approach to social and environmental safeguards for the REDD+ countries (Common Approach), agreed upon between the World Bank and the delivery partners. The Common Approach was incorporated as an Annex to the FCPF-IDB Transfer Agreement.

conditions; (ii) carry out all activities contemplated in the preparation phase in accordance with the conditions included in the respective components and described in more detail in paragraphs 3.1 and 3.2 above; (iii) annually program the project budget allocation to environmental and social activities in a manner satisfactory to the Bank and consistent with the project budget; (iv) submit for the prior approval of the Bank's technically competent unit (ESG), the terms of reference of all environmental and social activities, including the pertinent elements of the executing unit and any other components; (v) as part of the semiannual progress reports and final project report, specifically report on: (a) progress and challenges with respect to the consultation process, the SESA, the design and initial implementation of the ESMF for the implementation of REDD+, the conflict resolution mechanisms; (b) information regarding any complaints or observations received and measures taken to address them with respect to any potential non-compliance with the Environmental and Social Safeguards; and (c) the integration of environmental and social aspects in the REDD+ strategy and reference scenarios, and environmental and social analysis of the pilot projects; and (vi) should the Bank or the Beneficiary identify any instance in which the activities or results of the project execution are not in accordance with the Environmental and Social Safeguards, agree with the Bank on a corrective action plan to be implemented by the Beneficiary to resolve the issues identified to the satisfaction of the Bank.

## **ANNEXES**

Procurement Plan

### **REQUIRED ELECTRONIC LINKS**

[Letter of Request<sup>4</sup>](#)

[Terms of Reference](#)

### **OPTIONAL LINKS**

[Institutional Capacity Assessment/Analysis](#)

[Results Matrix](#)

[Consolidated Budget](#)

[High Risk Evaluation](#)

[Comparative Analysis World Bank Assessment Note](#)

[Abbreviations and Acronyms](#)

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<sup>4</sup> The Resolution PC/9/2011/1, from the Ninth Participants Committee Meeting of the Forest Carbon Partnership Facility, approved the "Common Approach to Environmental and Social Safeguards for Multiple Delivery," where the GoG selected the IDB as its Delivery Partner.