

GUYANA DRAFT READINESS PLAN

INTERIM SUMMARY OF TECHNICAL ASSISTANCE PROVIDED BY THE BANK TEAM FROM MARCH TO MAY 2009

Strategic Context

Describe the link between the proposed REDD Readiness Program and the Country Assistance Strategy or Country Partnership Strategy, and operations managed or planned by the Bank.

REDD fits well with Guyana's proposed low carbon development strategy. Climate change adaptation and mitigation are top priorities for Guyana, and reflected in the Bank's Country Assistance Strategy

The CAS identifies “strengthening environmental resilience and sustainability” as one of its two pillars. It also underscores the need for supporting rural communities, particularly Amerindian communities, which have the highest levels of poverty of the various ethnic groups in Guyana. A proposed Forest, Climate Change and Communities IDA project would help strengthen institutional capacity and would provide direct support to forest communities. Also under consideration is a Japan Social Development Fund (JSDF) grant to support rural communities. It is expected that these operations and the REDD Readiness activities would complement each other by enhancing consultation and participation of rural communities, improving livelihoods and providing economic incentives for forest protection, and strengthening community-based management.

Technical Assistance Provided by the Bank

Record the assistance and/or comments on R-Plan drafts provided by Bank staff to the REDD Country Participant and if and how this assistance helped shape the R-Plan and if and how these comments were taken into consideration in the latest R-Plan submitted by the REDD Country Participant. Please point to possible disagreements between the REDD Country Participant and the Bank.

The Bank provided four sets of comments on the March draft Readiness Plan: on March 31 (Section 2b: Consultation Plan), April 27 (Sections 1-2a & 4-9), April 30 (Section 3), and May 30 (additional reviews of the same document).

A first-contact trip to Guyana took place on March 10-12. A broader technical mission including the Bank's social and land tenure experts was scheduled May 8-15, and was postponed to a later date at the request of the Government. A review of the legal framework, especially the forest bill and the Amerindian act, is also underway. An assessment of the financial management and procurement capacity of the Guyana Forestry Commission took place on March 17-19, and the conclusions were shared on May 29. The technical mission with the social and land tenure experts is needed to prepare the Bank's Assessment of the proposed Readiness Plan.

While recognizing the quality of the work done so far, the four sets of comments also identified a number of areas that require further improvement before the Bank acting as trustee of the FCPF can sign a grant agreement. These comments provided in March-May do not reflect modifications that may have been introduced in the latest version of the draft R-Plan dated June 1. The main suggestions that were made can be summarized as follows:

Consultation Plan. The proposed Consultation Plan (Component 2b) should provide more detail and clarity about methodology or process for carrying out the consultation. Among others, this includes: how

the government intends to set up participatory mechanisms to ensure the active involvement of Amerindian communities during consultations; whether or not the consultation and participation structure will use existing local structures and Indigenous People's organizations to engage the broader forest communities; how consultations will address the issue of land tenure and safeguarding the rights to land and discuss the ownership of carbon right and how it relates to community ownership of land; and how the government plans to set up conflict resolution mechanisms to provide a space for complaint. Consultations must be participatory and inclusive, rather than simply informative. The methodology should be pertinent to enhance social participation and to elicit good feedback from the participants. Appropriate language and other culturally-appropriate methods should be used. Participants should be informed of the importance of the inputs and how they will be utilized, and when and how they will be able to access information and under which format. All concerned stakeholders, especially forest communities, should feel assured at this stage that there will be adequate fora for expressing their support, criticisms, concerns, or opposition. Consultations should cover both sides (potential positive and negative impacts) of REDD and allow communities to discuss difficulties. Consultation should be viewed as an iterative process, not a one-time event. This Consultation Plan would be outlined with inputs of stakeholders as described in the first phase of the Strategic Social Assessment below. It would then be strengthened later with inputs from the second phase of the Strategic Social Assessment.

Consultations conducted to date, and evidence of broad community support. The consultation summary presented as Appendix 4 of the R-Plan should provide an overview of the consultations methodology, and indicate how specifically the questions and concerns raised by communities have been addressed, what consensus was reached and/or what questions remain open, how these outcomes have been reflected in the proposed R-Plan, whether documented opposition has been expressed, and was there any kind of feedback mechanism discussed or agreed with the audience. The outcomes of the next wave of discussions, mentioned in Appendix 4, should also be summarized in a similar fashion in the R-Plan. Most importantly, these consultations should feed into the Consultation Plan and Strategic Environmental and Social Assessment (SESA), as described below. Participants in the consultations should be determined based on a preliminary assessment of stakeholders, and should especially include Amerindian communities and their representatives.

Strategic Environmental and Social Assessment (SESA). Component 5 should explicitly include all the elements required by World Bank Safeguards Policies (especially on Environmental Assessment, Forests, Natural Habitats, Indigenous Peoples and Involuntary Resettlement). Before approving the Readiness Preparation Grant, the first phase of a Strategic Environmental and Social Assessment (SESA) must be completed. It includes an initial analysis of environmental and social context, with expected outcomes, opportunities and risks related to the program, and it is informed by consultations with representatives of key stakeholder groups. The objective of the first phase is to finalize Terms of Reference for the second, more detailed phase of the SESA, through consultation and analysis in a transparent manner.

The second phase of the SESA: (i) continues and completes the diagnostic work required, including a more structured and detailed stakeholder analysis; (ii) undertakes a transparent consultation process involving representatives of key stakeholders and interest groups, in particular indigenous peoples and forest dwellers, based on the principles of free, prior and informed consultation, seeking to build broad community support among concerned groups; and (iii) finalizes environmental and social management frameworks as components of the R-package. These frameworks incorporate procedures for ongoing consultations with concerned stakeholder groups; capacity building measures as needed; and procedures for project specific environmental and social impact assessments and action plans.

Eventually the SESA would include Social and Environmental Management Frameworks, an Indigenous People Framework and an Involuntary Resettlement Framework. The Strategic Social Assessment should include an in-depth stakeholder analysis that takes into consideration indigenous groups and other forest

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dependent groups, as well as other stakeholders from the private sector and civil society. Among others, the TOR should call for a stakeholders mapping; an analysis of options; and the identification of the potential winners and losers of REDD and potential risks and benefits for key stakeholders groups. This stakeholder analysis will feed into strengthening the Consultation Plan. The TOR should also provide for consultations and disclosure in line with the Safeguards.

The R-Plan suggests using ‘pilot’ and ‘demonstration’ activities, which seems to make sense as part of a readiness/preparation phase. However, when and under what circumstances actual ‘on-the-ground’ projects or ‘pilot activities’ might be conducted must be clarified, especially with regard to the preparation and adoption of full safeguards instruments prior to such activities.

Drivers of deforestation, past efforts, and proposed strategies. A more detailed analysis of the underlying causes of deforestation is critical (the draft R-Plan identifies mining as the major cause, followed by roads and agriculture; however, this analysis appears to be general and preliminary). This detailed analysis would help in designing REDD strategies (component 3). There seems to be some disconnect between the main drivers of deforestation identified in component 1; and the strategies alluded to in component 3. Component 1 should elaborate more on the successes and shortcomings of past efforts to reduce deforestation and degradation, as a basis for designing the next steps. Broader cross-sectoral analysis and approach seem to be needed, and the draft R-Plan should provide for closer collaboration with actors outside the forest sector (e.g., with the Geology and Mines Commission if mining is a major cause of deforestation, to help overcome possible conflicts of jurisdiction).

Analysis of land tenure. A critical analysis of the land tenure situation in Guyana is an essential starting point for REDD. The draft R-plan should analyze the indigenous forestland titling process that started a few years ago and is still underway, and what are the achievements, the pending issues, and the lessons learned applicable to the future REDD strategy. It should present data on land titles and demarcation in favor of the Amerindian communities, and highlight how the lessons learned are being used to improve ongoing land titling and procedures, and to generate consensual outcomes.

Legal framework. The draft R-Plan states that improving legislation is critical, but does not articulate which area needs to be better regulated and why, though one constant point seems to be the fragility of land tenure in the country. However, there is no specific action proposed regarding improving the legal framework. Similarly, the R-Plan should highlight key features of the new forest law which, in the view of the authors, would contribute to deterrence of deforestation and degradation, as well as key features of the Amerindian Act, especially with regard to land tenure and land rights for indigenous communities.

Inclusiveness of the REDD management process. The articulation between the National Working Group/REDD Secretariat (NWG) and the National Climate Committee (NCC) should be better explained. It is suggested that the NWG and/or the NCC hold regularly-planned plenary meetings (instead of consultations at individual level) thus allowing for more consistent inputs, dialogue, and consensus-building; and that these platforms include representatives of civil society organizations, local environmental and Amerindian NGO groups, the university, and the private sector. Overall, the proposed management process should provide for meaningful participation of all concerned parties, including forest-dependent peoples.

TOR for preparation activities on carbon ownership and revenue-sharing. The R-Plan should be more specific on the review and clarification of carbon ownership across tenure and management options and the creation of transparent benefits sharing arrangements for financial incentives for REDD. It should include specific TOR for these two activities, or at a minimum, it should outline the methodology, process and guiding principles for these two activities.

Terms of reference in general. All draft terms of reference need to include a more specific list of tasks and expected products, as well as an indication of the methodology or process to be used, and an estimate of cost and timeframe, to become operational.

Monitoring and Verification. Component 8 should include a more detailed discussion on how external reviews/audits would actually work (mandate, methodologies, reporting process, publicity, periodicity, etc), whether it would cover carbon and non-carbon benefits, as well as the use/sharing of REDD benefits; how information will be made available to the public; and how civil society and forest communities will actually be involved in implementing the monitoring, reporting and verification system.