

GUYANA
Concept Note

I. BASIC DATA

Project name:	Institutional Strengthening in Support of Guyana's Green State Development II		
Project number:	GY-G1006		
Project team:	Gerard Alleng (CSD/CCS), Team Leader; Janine Perfit (IFD/ICS) Alternate Team Leader; Graham Watkins (CSD/CCS); Luis Miguel Aparicio (CSD/CCS); Alan Mentis (CCB/CGY); Emilie Chapuis (FMP/CGY); Paula Louis-Grant (FMP/CGY); Juan Carlos Gomez (CSD/CCS); Claudia Stevenson (IFD/CTI); Maria del Pilar Jimenez de Arechaga, (LEG/SGO), Ana Rios (CSD/CCS), Jorge Kaufmann (IFD/ICS), Claudia Stevenson (IFD/CTI), Patricio Zambrano-Barragan (CSD/HUD).		
Beneficiary:	Co-operative Republic of Guyana		
Executing agency:	Department of Environment (MoP)		
Type of project:	Investment grant		
Financing plan:	Guyana REDD+ Investment Fund (GRIF) (resources from the GRIF will be provided on a non-reimbursable basis):		US\$24 million
	Total:		US\$24 million
Partner Entity	Inter-American Development Bank (IDB)		
Exceptions to Bank policies:	None		
Policies triggered	OP-505; OP-506; OP-507;		
Safeguards:	Classification: C		

II. GENERAL JUSTIFICATION AND OBJECTIVES

A. Background

- 2.1 With more than 90% of its population and much of its infrastructure and industry located along the low-lying coastal strip, Guyana is particularly vulnerable to the impacts of climate change (CC). It is expected that CC will have significant impacts on the sustainability of the economic and social wellbeing of Guyana, a littoral developing economy, given the expected effects of sea level rise, temperature increase and changing precipitation patterns to specific productive sectors like that of agriculture, forestry, human health, water resources and coastal zones; especially considering the lack of preparedness and high cost of adaptation to climate change relative to GDP.
- 2.2 In 2009 Guyana adopted its Low Carbon Development Strategy (LCDS), which remains valid as one aspect of the new developmental policy of the country - Green State

Development Strategy. It seeks to enable a development pathway which balances economic development and sustainability. The LCDS aims to transition the country towards a low deforestation, low carbon, and climate resilient economy. The financing for the LCDS was established under a dedicated fund - the Guyana REDD+ Investment Fund (GRIF), created through a cooperation agreement signed between Guyana and Norway also in 2009.

- 2.3 In order to implement the LCDS, the Office of Climate Change (OCC) and the Project Management Office (PMO) were established; today both agencies are positioned under the Ministry of the Presidency. The OCC has the mandate to lead the development and implementation of national climate change policies and actions, and coordinate efforts across sectors and agencies for the mainstreaming of climate change at the national and regional level. The PMO has the mandate of developing and overseeing the implementation of all GRIF-funded projects, as well as promoting Foreign Direct Investment in low-carbon initiatives.
- 2.4 The OCC and PMO implemented an institutional strengthening project (phase one), which was designed to strengthen the capacity of the Government where necessary to deliver the results of the GRIF as espoused in the LCDS and the Joint Concept Note measured through enabling and REDD Plus performance indicators. The IDB was the Partner Entity supporting this project with the requisite safeguards under the operation GRT/GF-13172-GY: Institutional Strengthening in support of Guyana LCDS.
- 2.5 The recently established Department of Environment of (DoE) has the mandate to coordinate and integrate the activities of the Environmental Protection Agency, Protected Areas Commission, National Parks Commission and Wildlife Conservation and Management Commission into a single institutional framework. It has been mandated to work closely with other Government Agencies including the Offices of Climate Change and Project Management. Also, the DoE is responsible for creating the environment and providing the institutional support that are necessary to coordinate the activities of various Government Agencies and other organizations that would ensure a sustainable and resilient Guyana.

B. Challenges and Project Justification

- 2.6 As part of the learning process of the implementation of the LCDS, Guyana has realized the need for the expansion of institutional strengthening across all sectors of the economy, particularly as the institutional architecture has changed with a new Department of Environment (DoE), which has been established for greater environment management and compliance, together with advancing the greening of Guyana's economy.
- 2.7 In addition Guyana has committed to taking action in order to reduce greenhouse gas (GHG) emissions through the signature and ratification of the Paris Agreement in April-May 2016. Guyana's Nationally Determined Contribution (NDC), has prioritized climate change mitigation through actions in forest sector and a suite of alternative energy options. It has also drafted its Climate Resiliency Strategy and Action Plan (CRSAP), with the purpose of establishing a climate resilience framework for the country that addresses

direct and indirect impacts associated with extreme weather events, as well as emerging climate change impacts and hazards.

- 2.8 The nature of Guyana's international commitments require the existence and enforcement of a clear policy to govern the climate mitigation and adaptation actions in the country, overarching the NDC, CSRAP, and LCDS, as well as all initiatives supported by Guyana's development partners. These development partners have been supporting different governmental agencies in Guyana, focusing on several aspects related to CC, but these initiatives are being managed in a non-programmatic manner. The various sectoral institutions involved in these initiatives require additional institutional strengthening, greater cross-sectoral coordination and information sharing and the capacity to better access and manage climate finance resources.
- 2.9 As Guyana pursues the attainment of the Sustainable Development Goals (SDGs) the project facilitates alignment with the following SDGs: SDG9 as it will strengthen the government's capacity to integrate climate resilience in land use and infrastructure investment planning at the national and subnational levels; SDG11 as the development of green towns will be supported and elements of climate resilience will be incorporated into the work of CDC; SDG13 as the country's capacities to implement its NDC, to incorporate CC into cross sectoral planning, to develop and impulse a CC mitigation projects pipeline and to report to UNFCCC will be strengthened; SDG 15 as the national protected areas system will be strengthened; SDG16 and SDG 17 as the operation will help building government effectiveness by strengthening DoE, OCC, PMO, EPA, GLSC, PAC, and MoF to access, program and manage climate-finance resources under an improved governance scenario.
- 2.10 The proposed project represents an increased level of institutional strengthening to respond to the new institutional architecture and financial arrangements needed to access climate finance. It also includes increased capacity to generate and monitor climate information that will allow for an improved response on adaptation.

C. Objective and Components

- 2.11 The overall objective of the project is to strengthen the enabling environment through enhanced human, institutional and knowledge capacity to deliver the results of the Guyana-Norway Agreement and pursue the transition to a Green Economy Development. To achieve this objective, the following activities were grouped into four components:
- 2.12 **Component 1 (US\$2.05 million): Supporting Human Capacity Development** through: (i) Support to Ministry of Education to incorporate CC aspects in the school curricula (nursery and primary), and the University of Guyana; (ii) Creation of a financing facility for research and generation of information on CC; (iii) A program of empowerment for youths, women and other vulnerable adult populations; (iv) implementation of a special benefit support package for teachers including housing, transportation, healthcare.
- 2.13 **Component 2 (US\$20.05 million): Supporting Institutional Capacity Development** through:
Subcomponent 2.1: Strengthening of DoE through: (i) harmonizing the country's environmental management structure; (ii) developing a strategic framework for

coordinating and monitoring the activities the Agencies under the purview of the DoE; (iii) strengthen DoE's role to monitor achievements towards the SDGs; (iv) strengthen GLSC's role of monitoring the implementation of the land use policy and land use planning at the national and subnational levels; (v) strengthening CDC's role of implementing the Sendai Framework; (vi) Strengthening of EPA; (vii) establishing an ecosystem-based resilience program for coastal zone management and protection (viii) Improving environmental and wildlife governance (ix) strengthening the protected areas system.

Subcomponent 2.2: Strengthening of PMO through: (i) Strengthen PMO's role of (i) developing a climate change mitigation and resilience programmatic pipeline, (ii) monitoring of GRIF projects, (iii) supporting the development of Green Towns, (iv) coordinate public and private arrangements to implement Green Economy Initiatives.

Subcomponent 2.3: Strengthening of OCC through: (i) production of policy tools for the integration of climate change adaptation in cross-sectorial planning; (ii) strengthen Guyana's capacities for participation and negotiation in the international climate change arenas; (iii) Strengthen Guyana's capacities to comply with reporting obligations with UNFCCC; (iv) Strengthen coordination and compliance of the Cancun safeguards; (v) Revision of the NDC considering downscaled CC models; (vi) Preparation of NAMAs in alignment with priority sectors of NDC; (vii) development of protocols for registering, reporting and accounting of CC initiatives.

Subcomponent 2.4 - Strengthening of Ministry of Finance through: (i) support the Ministry of Finance in operationalizing the CC policy through budget and planning at national and sub-national levels; (ii) build capacity in the Ministry of Finance or another suitable agency, for accreditation to benefit from the direct access modality for international climate finance;

Subcomponent 2.5: Strengthening Guyana's Hydro-meteorological Services through: (i) building human capacity; (ii) improving technical infrastructure.

- 2.14 **Component 3 (US\$0.9 million): Supporting Knowledge and Information Capacity** through: (i) development of a Knowledge Centre and Repository for information/data on climate change (ii) implementation of a communications campaign on the Climate Change, Disaster Risk Management and principles of a Green Economy.
- 2.15 **Cost financing.** The proposed project will be financed with resources from the Guyana REDD+ (Reducing Emissions from Deforestation and Forest Degradation, and conservation of standing forests) Investment Fund (GRIF). The Inter-American Development Bank has the role of a Partner Entity (PE). The PEs submit projects to the GRIF Steering Committee for approval, receive funds and supervise projects and report on implementation progress and results. The amount of resources financed from GRIF for this project is US\$24 million, inclusive of all fees and charges. These resources will be provided on a non-reimbursable basis.

- 2.16 **Consistency with Country Strategy and GCI-9.** "The program is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (GN-2788-5) and is aligned with the development challenges of: "social inclusion and equality"; and "productivity and innovation" through: strengthening the capacity of the state agencies, establishing smart institutional frameworks, providing knowledge and innovation systems. The program is also aligned with the cross-cutting theme(s) of: "climate change and environmental sustainability"; and "institutional capacity and rule of law", aligning itself with the Country strategy, that aims to create a low deforestation, low carbon, climate resilient economy, by means of strengthening Guyana's preparedness and resilience to adapt to climate change. Additionally, the program will contribute to the Corporate Results Framework 2016-2019 (GN-2727-4) (CRF) by: supporting government agencies to strengthen their technological and managerial tools to improve the delivery of public services. Finally, the project is consistent with the Environment and Biodiversity Sector Framework Document (GN-2827-3), the Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy (GN-2609-1) and Action Plan (GN-2609-3).

III. BANK SUPPORT TO GUYANA, SECTOR KNOWLEDGE AND TECHNICAL ISSUES

- 3.1 The project will build on the Bank's wide experience in institutional strengthening for forestry, low carbon development, and environmental management in Guyana. The following operations were financed by the Bank: (i) the Environmental Management Program in 1996 (phase 1) and 2001 (phase 2) (ATN/SF-5432-GY and ATN/SF-7679-GY); (ii) Climate Change and Biodiversity Mainstreaming through Avoided Deforestation in 2007 (ATN/SF-10749-GY); (iii) Supporting Guyana's LCDS in 2009 (ATN/SF-11788-GY); (iv) Developing capacities in Implementing REDD+ in 2010 (ATN/SF-12553-GY); (v) Institutional Strengthening in Support of Guyana's LCDS (GRT/GF-13172-GY); and (vi) Environment Sector Strengthening Programmatic Series (3106/BL-GY & 3422/BL-GY) .
- 3.2 Key results and lessons were learnt from the above operations. OCC, PMO and the Guyana Forestry Commission improved their execution capacity by means of strengthening their technical and administrative capacities, retaining new technical and administrative personnel, equipping their offices, and allowing for the implementation of communication, education and awareness campaigns with stakeholders, including the initial phase of the Greening Bartica initiative, and the piloting and final formulation of the Opt-In Mechanism that will allow indigenous communities to participate from the REDD+ benefits. As an overall outcome of these operations Guyana improved its governance and policy framework, as well as its capacity at national institutional and community level to develop and implement REDD+ actions and support the execution of the LCDS.
- 3.3 The outcomes of these operations have allowed Guyana to realize the drivers of deforestation and forest degradation, the submission of its national Forest Reference Emissions Level to UNFCCC and subsequently elaborate on its NDC, with focus on tackling those drivers, which are responsible for a substantial part of the national GHG emissions profile.

- 3.4 Several technical issues need to be examined in designing an investment response to Climate Change, such as: limited national institutional capacity to address the climate change challenges from a cross-sectorial approach; monitoring and reporting of project implementation; budgetary planning for climate resilience at the national and subnational levels; accessing and managing climate and development finance at the national level. The sustainability of the technical and administrative capacities created under the project constitutes a potential risk that will be carefully assessed.

IV. SAFEGUARD AND FIDUCIARY SCREENING

- 4.1. **Environmental and Social Safeguards Aspects.** The project is classified as a Category “C” operation because it will not directly generate negative environmental and social impacts. The project will facilitate initiatives under the PMO, OCC and DoE which are expected to have positive environmental and social impacts. GRIF financed activities require the application of the PE environmental and social safeguards. The implementation of the IDB Environmental and Safeguards Compliance Policy incorporates the need for assessment and management of the environmental and social risks in activities facilitated by projects in addition to directly financed activities. As such, the project team will work with the OCC, PMO and DoE to build a shared understanding of the IDB safeguard standards for environmental assessment and management.

V. RESOURCES AND TIMETABLE

- 5.1 The proposed timetable for preparing this investment grant includes the milestones to distribute the POD to QRR on October 2017, the approval of the Draft Investment Grant Proposal by OPC on November 2017, and the approval of the Investment Grant Proposal by the Board on December, 2017.
- 5.2 The cost of the project to be financed with GRIF resources is estimated to be US\$24 million as per the indicative budget below:

Component 1: Supporting human capacity development	US\$2.05 million
Component 2: Supporting institutional capacity development	US\$20.05 million
Component 3: Supporting knowledge and information capacity	US\$0.9 million
Project Administration including auditing and evaluation	US\$1 million
Total	US\$24.00 million

- 5.3 IDB will be the Partner Entity of the project. The Executing Agency of this project will be the Department of the Environment (DoE). The Offices of Climate Change (OCC) and

Project Management (PMO) will collaborate with the DoE on all matters that relate to the implementation of this project as outlined in the Cooperation Agreement in Appendix 3.

- 5.4 The selection and contracting of goods and services financed with GRIF resources will be a responsibility of the DoE and will be carried out in accordance with the Bank's Policies for the Procurement of Works and Goods (GN-2349-9) and for the Selection and Contracting of Consultants (GN-2350-9).

- 5.2 It is expected that the OCC, PMO and DoE will incur project related expenses prior to the approval date of this operation due to their need to move ahead with activities related to the program. In this regard, and as per OP-504, the Bank will finance retroactively expenses incurred by the Implementing Entities (entities that receive funds from the Partner Entities to implement projects) between the approval of the Project Profile and the date of approval of the operation and up to US\$0.5 million. This will apply only to expenses that could be recognized according to the mentioned policies. The Bank has received written approval from the Steering Committee for the application of retroactive financing.

APPENDIX 1: ADDITIONAL INFORMATION PROVIDED BY GOVERNMENT OF GUYANA¹

[Gazetted note regarding the institutional authority of the DoE]

The Department of Environment was gazetted on September 01, 2016 under the Minister of State of the Ministry of the Presidency. It has supervisory responsibilities of four Agencies namely: Environmental Protection Agency, Protection Areas Commission, National Parks Commission and Wildlife Conservation and Management Commission. This policy shift is far-reaching and represents the Government's priority to harmonize, and streamline the environmental management framework in the country by having all Agencies with an environmental portfolio coordinated and integrated under the Department of Environment. This policy shift has also created the opportunity for environmental management to be administered by a single entity with the ability to manage and administer the laws and regulations relevant to the environment in Guyana

The Department of Environment also has an important responsibility as the coordinating entity for the country's national development plan – The Green State Development Plan. Given this mandate, the DoE will work closely with all Government Agencies including the Offices of Climate Change and Project Management to realize the Government's green vision for the sustainable development of the country.

¹ **Disclaimer: The attached Appendix 1 represents independent information provided by the Cooperative Republic of the Government of Guyana. The information herewith contained may vary from the final information to be provided in future project documents relating to Institutional Strengthening in support of Guyana's Low Carbon Development Strategy that is to be jointly developed by the Inter-American Development Bank and the Implementing Agencies of the Government of Guyana.**

APPENDIX 2: RESULTS MATRIX FOR PROJECT COMPONENTS

Results Indicators		Unit	Base Line		Y1	Y2	Y3	Y4	Y5	End of Project
			Value	Year						
Indicator										
Component 1. Supporting human capacity development										
1	Number of educational packages designed for different levels	#	0	2017			1	1		2
	Number of scientific/technical publications financed by the facility that are accepted for publication	#	0	2017		10	10	10	10	40
	Number of youth and women organizations accessing financial resources for climate mitigation and adaptation related activities	#	0	2017		5	5	5	5	20
4	Number of teachers receiving special benefits support package	#	0	2017		200	200	200	200	800
Component 2. Supporting institutional capacity development										
Strengthening of DoE										
5	Number of documents proposing the organizational and regulatory changes necessary for sound environmental stewardship by the Government	#	0	2017		2				2
	Number of annual M&E reports published DoE.	#	0	2017		1	1	1	1	4
	Number of SDG monitoring frameworks designed	#	0	2017		1				1
	Number of SDG monitoring reports produced						1		1	2
	Number of land use policy drafts updated and tabled to cabinet/parliament	#	0	2017		1				1
	Number of prescriptive subnational land use plans developed	#	0	2017			2	4	4	10
	Number of early warning systems operating	#	0	2017		1				1
	Number of subnational disaster risk reduction strategies prepared	#	0	2017		1				1
	Number of onsite interventions by EPA enforcement teams	#	0	2017	30	30	30	30	30	150
	Number of DTM for the coast completed	#	0	2017		1				1
	Number of ICZM action plans updated	#	0	2017		1				1
	Number of persons trained in ICZM	#	0	2017	50	50	250	50		400
	Number of coastal communities implementing ICZM	#	0	2017	5	5	5	5		20
	Number of hectares of mangrove restored	#	0	2017			400	400		800

	Number of wildlife conservation and management regulations tabled to cabinet/parliament	#	0	2017		1				1
20	Number of new protected areas created	#	0	2017				1		1
Strengthening of PMO										
21	Number of new GRIF programmatic operations in implementation	#	0	2017	2	2	2	2	2	10
Strengthening of OCC										
22	Number of draft regulations with mandate for mainstreaming CC adaptation in sectoral planning and budgeting	#	0	2017	1					1
	Number of UNFCCC COPs attended by a Guyana delegation	#	0	2017	1	1	1	1	1	5
	Number of biennial update reports submitted to UNFCCC	#	0	2017	1		1		1	3
	Number of biennial reports on compliance with Cancun safeguards	#	0	2017			1		1	2
	Number of NDC revised and submitted to UNFCCC	#	0	2017			1			1
	Number of sectoral NAMAs prepared	#	0	2017			5			5
28	number of CC emissions/emission reductions accounting systems in place	#	0	2017		1				1
Strengthening of Ministry of Finance										
	number of sectoral budgets incorporating CC considerations	#	0	2017		2	3			5
30	number of GCF accreditation processes completed	#	0	2017				1		1
2.5 Strengthening of Hydro-meteorological Services										
	Number of training programs implemented	#	0	2017	6					6
	Number of Revenue System and Public Weather Service established	#	0	2017		1				1
	Number of new meteorological stations equipped and operational	#	0	2017	2	10	8			20
34	Number of data processing and analyzing infrastructure packages	#	0	2017		1				1
Component 3. Strengthening knowledge and information capacity										
	Number of knowledge centers created and equipped	#	0	2017		1				1
	Number of communications campaigns designed	#	0	2017	1					1
	Number of publications produced	#	0	2017		3	3	3	3	12
38	Number of hours of radio and TV programs aired	#	0	2017		100	100	100	100	400

APPENDIX III:
**COOPERATION AGREEMENT WITH THE OFFICES OF CLIMATE CHANGE
AND PROJECT MANAGEMENT CONCERNING THE JOINT
IMPLEMENTATION OF PHASE II OF THE INSTITUTIONAL
STRENGTHENING PROJECT**

WHEREAS An Agreement for cooperation is hereby established between the Department of Environment [hereinafter referred to as the “Agency”] and the Offices of Climate Change and Project Management [hereinafter referred to as the “Parties”] all under the purview of the Ministry of the Presidency for undertaking Phase II of the Institutional Strengthening Project.

WHEREAS all three entities are concerned with the development of the country along a low carbon climate resilient pathway that protects the environment and safeguard its attendant benefits.

WHEREAS the Parties have implemented Phase I of the Institutional Strengthening Project and as such, possess skills in procurement and monitoring and reporting which are invaluable for undertaking Phase II of the Institutional Strengthening Project.

WHEREAS the Agency which is the executing agency for the project has technical skills in coastal zone management, sustainable development, environmental science, renewable energy, data management and legal knowledge to support the project.

WHEREAS all three entities have expressed their willingness to cooperate for joint implementation of the project which seeks to strengthen the enabling environment through enhanced human, institutional and knowledge capacity to deliver the results of the Guyana-Norway Agreement and pursue the transition to a Green Economy Development.

NOW, THEREFORE, the Agency and the Parties have agreed to enter into this agreement:

- The purpose of this agreement is to establish a framework for cooperation mechanism which would equate to the institutional architecture among the three entities for the project.
- The implementation of the project will constitute a joint programme carried out by the three entities in accordance with the terms of this agreement.
- They agree that the Agency will serve as the Project Executing Agency and the Parties will provide administrative capabilities for the execution of the project including procurement of goods and services, financial management, monitoring and reporting and project development.
- The Parties will also provide services that relate to their specific mandate on the development and implementation of national climate change policies and actions, and

developing and overseeing the implementation of all GRIF-funded projects, as well as promoting Foreign Direct Investment in low-carbon initiatives.

This Agreement of Cooperation is valid for the duration of the Project.

IN WITNESS WHEREOF the undersigned being duly represented by their respective representatives have signed this Agreement.

JANELLE CHRISTIAN
Head, Office of Climate Change

MARLON BRISTOL
Head, Project Management Office

NDIBI SCHWIERS
Director, Department of Environment