



65 Millet St. Suite 201  
Richmond, VT 05477 USA  
Tel: 802-434-5491  
Fax: 802-434-3116  
[www.rainforest-alliance.org](http://www.rainforest-alliance.org)

Contact Person:  
Richard Z. Donovan  
Senior Vice President and Vice President of  
Forestry  
Email: [rdonovan@ra.org](mailto:rdonovan@ra.org)



# **Verification Of Progress Related To Enabling Activities For The Guyana-Norway REDD+ Agreement**

Date of Report: March 10, 2010

Authors: Richard Z. Donovan  
Gary Clarke, PhD  
Christian Sloth

# TABLE OF CONTENTS

<b>ACRONYMS.....</b>	<b>3</b>
<b>1 EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>2 INTRODUCTION.....</b>	<b>6</b>
2.1 Background.....	6
2.2 Contractual Arrangement.....	8
2.3 Objective .....	8
2.4 Verification Indicators .....	9
2.5 Procedures for Confidentiality, Conflict of Interest and Complaints, Appeals, and Dispute Resolution .....	9
<b>3 VERIFICATION PROCESS .....</b>	<b>10</b>
3.1 Description of Verification Audit Process .....	10
3.2 Verification Approach .....	11
3.3 Audit Team.....	12
3.4 Audit Schedule .....	13
3.5 Persons Interviewed .....	14
3.6 Stakeholder Comments .....	15
<b>4 VERIFICATION OF ENABLING INDICATORS PERFORMANCE .....</b>	<b>18</b>
<b>5 PARTIAL LIST OF DOCUMENTS REVIEWED .....</b>	<b>40</b>

## ACRONYMS

AWG-LCA:	Ad Hoc Working Group on Long-term Cooperative Action under the Convention (UNFCCC)
CCBA:	Climate, Conservation and Biodiversity Alliance (CCBA)
CI:	Conservation International
EPA:	Environmental Protection Agency
FCPF:	Forest Carbon Partnership Facility
FPA:	Forest Producers Association
GEA:	Guyana Energy Agency
GFC:	Guyana Forestry Commission
GGDMA:	Guyana Gold & Diamond Miners Association
GGMC :	Guyana Geology & Mines Commissioner
GL&SC:	Guyana Lands & Surveys Commission
GOG:	Government of Guyana
GON:	Government of Norway
GRIF:	Guyana REDD+ Investment Fund
IDB:	Inter-American Development Bank
IIED:	International Institute for Environment and Development
IPCC GPGs:	Intergovernmental Panel on Climate Change Good Practice Guidelines
IWG-IFR:	Informal Working Group on Interim Finance for REDD
JCN:	Joint Concept Note
LCDS:	Low Carbon Development Strategy
LULUCF:	Land Use Land Use Change & Forestry
MOA:	Ministry of Agriculture
MOAA:	Ministry of Amerindian Affairs
MOU:	Memorandum of Understanding
MRVS:	Monitoring Reporting & Verification System
MSSC:	Multi Stakeholder Steering Committee
NCC:	National Climate Committee
NGO	Non-governmental organization
NRWG:	National REDD+ Working Group
NTC:	National Toshao Council
OCC:	Office of Climate Change
OP:	Office of the President
OPRG:	Office of the President, Republic of Guyana
PMO:	Project Management Office
PSP:	Permanent Sample Plots
RA:	Rainforest Alliance
REDD+:	Reducing Emissions from Deforestation & forest Degradation +
RGDP:	REDD+ Governance Development Plan
R-PP:	Readiness Preparation Proposal
RS:	REDD Secretariat
SESA:	Strategic Environmental and Social Assessment
SFM:	Sustainable Forest Management
UNFCCC:	United Nations Framework Convention on Climate Change
WB:	World Bank

## 1 EXECUTIVE SUMMARY

Following are the principal findings of the Rainforest Alliance verification audit of Enabling Activities as outlined in the Joint Concept Note (JCN) between the Government of Norway (GON) and the Government of Guyana (GOG).

The framework for this verification is based on a checklist using 6 Enabling Indicators as a starting point, with more specific Verification Indicators, as developed by Rainforest Alliance for this verification activity. Prior to use, the framework was reviewed by both the GON and GOG. Given that this is the first verification audit of the Enabling Indicators (and GOG's related Progress Reports), the framework should be considered a working draft that, based on subsequent inputs from GON, GOG or stakeholders, could be improved in preparation for a subsequent audit, if necessary.

It is not within the mandate of Rainforest Alliance to make recommendations or conclusions about the level of conformance of GOG regarding the Low Carbon Development Strategy (LCDS). This is solely a matter to be determined by GON and GOG, or perhaps through actions implemented in cooperation with other parties. RA has been contracted by GON to carry out a review of the progress in meeting Enabling Indicators listed in the JCN – progress that is described in the Progress Reports which we reviewed. This review also includes the extent to which these reports are accurate in describing the activities the GOG has taken to meet the requirements of the enabling activities as outlined in the JCN.

### Overall Conclusions on Performance for Each REDD+ Enabling Indicator

**#1 Strategic Framework** – A framework is in place and being implemented. On a public level and in the Progress Reports there is a lack of clarity on the relationship between the REDD+ efforts and the LCDS and on how the GOG will handle safeguards, apparently due to continuing negotiations related to the establishment of the Guyana REDD+ Investment Fund (GRIF). The lack of a clear discussion on the status of safeguards in the Progress Reports, and subsequently the fact that numerous questions were raised to auditors because of this absence of information, point to how important the topic of safeguards is to stakeholders and the need to very consistently address the issue in future Progress Reports.

**#2 Continuous Multi-Stakeholder Consultation Process** – The GOG got off to a positive start in consultation activities and, as has been reviewed separately by IIED, has been generally successful in its stakeholder outreach. However stakeholder consultation progress in calendar year 2010 was less evident (apparently due in part to the lack of, or delays in, funding) and there are continuing challenges reaching interior Guyana Amerindian communities. The reduced level of consultation in 2010 has also created uncertainty as to the state of REDD+ activities overall. Reinvigoration of consultation efforts in 2011 and pointedly focusing on addressing shortcomings/recommendations identified in the IIED report seem necessary.

**#3 Governance** – There has been significant progress on the REDD+ Governance Development Plan (RGDP) as described in reports on 23 different activities implemented and based on further information exchange between the auditors and the GOG. Though in some cases almost same exact wording is used to describe the activities in both the reports and the JCN, the links between the activities and each of the 11 key related requirements in the JCN is not as clear or explicit as it could be.

**#4 Financial Mechanisms** – A GRIF agreement was signed upon arrival of RA auditors in Guyana, thus GOG reporting on the GRIF has been limited. The GRIF is now in place. However no reporting on REDD+ investments overall (including those outside the GRIF) is provided in the Progress Reports, even though the GOG and other supporters have made specific and significant investments. Some reporting on those investments occurs in other GOG venues (e.g. legislature). An overview or more detail on all such investments in the Progress Reports or other communications vehicles would enhance accountability, transparency and credibility.

**#5 Monitoring, Reporting & Verification (MRV)** – Numerous efforts to move forward on an MRV system are evident, under GFC leadership. MRV progress reporting going forward should encourage discussion of both achievements and constraints/challenges.

**#6 Rights of Indigenous Peoples and Other Local Forest Communities as Regards REDD+** - The GOG have placed strong emphasis on the rights of Amerindian communities in the process, involving multiple agencies (MOIA) and Amerindian interests (NTC, communities, etc.). GFC has also been proactive in interacting with other local forest communities. However, despite these positive achievements, the GOG should recognize that the absence of discussion on the constraints or challenges faced on rights-related efforts (e.g. financing delays or land tenure resolution for all communities regardless of whether they “opt-in” to involvement or not) in the Progress Reports or other communications forums has created uncertainty.

### **Other Summary Observations**

- OBS 1/10 The two Progress Reports and subsequent inputs from the GOG (OCC, GFC, etc.) provided accurate information on the Enabling Indicators of the REDD+ initiative as outlined in the JCN. However, there is a gap between the available information through government agencies to auditors and the information provided to the public in the Progress Reports. The GOG should take a step back and think through carefully about what it includes and doesn't include in the Progress Reports. For example, the reporting on Enabling Indicators in the Progress Reports did not provide overall metrics that could more effectively qualify or quantify achievements, participation in stakeholder outreach initiatives, etc. and only providing such information to auditors, versus publicly, can create an atmosphere of skepticism or doubt.
- OBS 2/10 As is evident through various findings and other observations, it is unclear the audience for whom the GOG Progress Reports have been developed. Clearly the GOG and GON believe they are important. The GOG perspective is that the Progress Reports are to be of value both for this verification process and as a means to inform the GON and the public. However, it remains unclear if the Progress Reports are intended to provide the GON with an exclusive report of progress related only to JCN commitments or if the Progress Reports are intended to be informing the wider Guyanese public or international individuals/organizations about the activities and progress of Guyana on REDD+ (and perhaps the related LCDS). Given that this verification report by Rainforest Alliance will become public, we assume the intent of the Progress Reports may be a mix of the above. Clarification of the target audience within each Progress Reports is an option.
- OBS 3/10 The LCDS, the REDD+ initiative and related framework activities represent a complex information system that has been developed and is continuously expanding with many activities, a wide range of documents to describe those activities, and information presented on a number of websites or through other forms of communication. The Progress Reports do not act as stand-alone documents that can easily be understood and read by stakeholders or external parties with limited knowledge of these processes.
- OBS 4/10 The Progress Reports do not discuss key challenges, constraints or limitations faced during implementation of the LCDS and REDD+ initiative, e.g. the “opt in” process with communities, delays in funding, delays in activities in the field or related benefits to communities, etc. As a result, stakeholders inside and outside Guyana do not have a clear picture on the challenges being faced, even though GOG staff and advisors (e.g. MSSC) often have very clear perspectives on this. As a result, stakeholders often observe that the GOG is painting a picture of progress that is too positive. Given the void in information on challenges faced by the GOG, other parties (supporters or critics) are quite willing to fill with information. As a result, based on interviews and written submissions from stakeholders,

skepticism has been created as to whether the GOG wishes to be fully transparent as to the challenges of implementing REDD+ efforts.

- OBS 5/10 The quality of the GOG's system for document management is uneven. Virtually no documents are consistently marked as drafts (or not), version numbers are not present, author(s) unclear, or the process and expectations for updates, revisions, etc. is not made clear. Also, the presentation of documents (draft or otherwise) in the public domain is not always of a consistent and sufficient quality to ensure complete legibility and ease of interpretation (acronyms not explained, etc.) – which may be particularly important for laypersons or the general public.
- OBS 6/10 The Rainforest Alliance verification was constrained due to insufficient time between contract award and the timeline set for field work to start for this verification. This, and the resources made available for the verification exercise, also constrained field work in the interior of Guyana necessary for more definitive review of performance related to Enabling Indicators.
- OBS 7/10 Prior the next verification, we recommend review and public input on the verification framework, i.e. the verification framework should be made publicly available and circulated for comment by stakeholders thirty days prior to field work. This framework review could also incorporate new elements drawing upon the results of international negotiations and standards related to REDD+ implementation.
- OBS 8/10 Some stakeholders indicated a desire to remain anonymous in their interactions with Rainforest Alliance. Going forward Rainforest Alliance believes it is critical for the GON and GOG reinforce their support for transparent and respectful stakeholder interaction, both for verification purposes and in general related to the REDD+ initiatives.

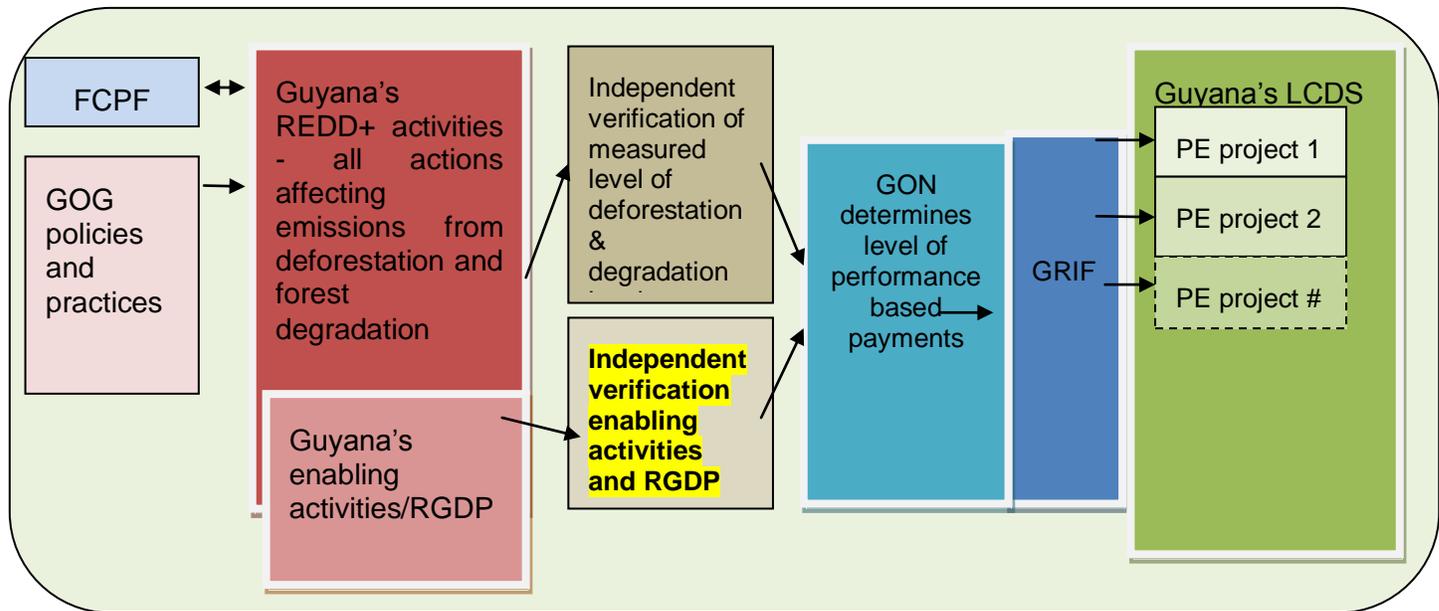
## 2 INTRODUCTION

### 2.1 Background

On November 9th, 2009, the GOG and GON issued a Memorandum of Understanding (MOU) where Norway committed to providing financial support of up to US\$250 million by 2015 for results achieved by Guyana in limiting emissions from deforestation and forest degradation.

The stated objective of the MOU is to foster partnership between Guyana and Norway on issues of climate change, biodiversity and sustainable low carbon development. Of particular importance is the establishment of a comprehensive political and policy dialogue on these issues, and close cooperation between the GON and GOG regarding Guyana's REDD-plus efforts, including the establishment of a framework for result-based Norwegian financial support to Guyana's REDD+ efforts.

The GON and GOG, in the framework of the MOU, signed a Joint Concept Note (JCN) which constitutes the structure that takes the cooperation forward on REDD+. The following diagram presents a schematic of the relationship between this verification exercise (highlighted in yellow below) and key elements of the GOG and GON agreements related to REDD+:



Thus, the core elements of the GON and GOG approach are:

- 1) A Joint Concept Note (JCN) between Guyana and Norway that provides an incentive structure for REDD+ performance. This is the core of the cooperation between Guyana and Norway.
- 2) Guyana's REDD+ activities are all activities which directly or indirectly affects the emissions from deforestation and forest degradation in Guyana. These are, for example, any activity within the mining sector, forest sector, etc. A broad range of policies and practices in Guyana can affect the level of deforestation and forest degradation, both indirectly and directly. Elements of this could be implemented as part of the activities envisioned through the current R-PP developed under with the Forest Carbon Partnership Fund (FCPF). It is also possible that elements could be implemented as part of other separate, but in theory complementary, activities through the Low Carbon Development Strategy (LCDS).
- 3) What determines the level of payments from Norway under the Guyana-Norway REDD+ partnership are, as per the methodology defined in the JCN:
  - a. The level of deforestation and forest degradation in Guyana according to the interim indicators, as set out in the JCN; and,
  - b. Progress in complying with enabling activities laid out in the JCN.
- 4) Two different independent third party verification activities are being used by the GON as tools for guiding their REDD+ investments:
  - a. The levels of deforestation and forest degradation are to be verified annually by an independent third party according to the interim indicators as set out in the JCN; and,
  - b. Governance-related enabling activities are verified annually by an independent third party according to the enabling activities as set out in the JCN.
- 5) Based on these performance elements, Norway's contributions are made. The contributions are installed in the Guyana REDD+ Investment Fund (GRIF), for which the World Bank is Trustee.
- 6) The scope of projects financed by the GRIF is covered broadly under Guyana's Low Carbon Development Strategy (LCDS).

- 7) Projects are prioritized by the GOG.
- 8) Each project must be submitted for approval by the Steering Committee of the GRIF by the Partner Entity and the Government of Guyana.
- 9) Partner Entities to the GRIF are the World Bank, IDB and UNDP.
- 10) Partner Entities must ensure that each project adheres to each entity's safeguards and operational policies and procedures.

Rainforest Alliance is implementing the first verification envisioned in 3b above. Through an open Tender Process carried out by the GON, with input from the GOG, the Rainforest Alliance was selected to carry out a verification of the GOG activities that have been described in two Progress Reports the GOG produced in March and November 2010.

A second independent and annual third party verification will be focused on the levels of deforestation and forest degradation in Guyana. A baseline for this is now being established and will be subsequently and separately monitored by a separate, independent third party.

## **2.2 Contractual Arrangement**

The verification audit reported in this report is carried out under a direct contract between the Rainforest Alliance and the GON.

The procurement was made according to the Norwegian public procurement law Number 69 of 16 July 1999 (Lov om offentlig anskaffelser – lov av 16.07.1999 nr. 69) and Regulation Number 402 of 7 april 2006 regarding public procurement (forskrift om offentlige anskaffelser av 7. april 2006 nr. 402) part I and II. The contract was awarded according to the procedure "Open competitive tendering". All tenders that met the qualification requirements were evaluated before the contract was awarded. As provided for by the Norwegian procurement regulations, there was a complaint period of ten days after the nomination of the winner of the completion, and prior to the final contracting, where other suppliers participating in the competition could appeal the outcome of the nomination process.

## **2.3 Objective**

The objective of this report is:

*"...to verify the content of Guyana's reports stating its performance according to the enabling activities under the Guyana-Norway partnership on REDD+, hereunder an assessment of whether the enabling activities have been conducted as described in the Joint Concept Note (JCN)".<sup>1</sup>*

Important activities in the verification process include the following (as per Enabling Indicator 7):

- Overall verification of whether or not the REDD+ enablers have been met, as described in the six Enabling Indicators;
- Provide a report to the Governments of Guyana and Norway outlining the findings of the verification; and,
- Include in the verification report a summary of recommendations for process and capability improvements.

Originally, an additional expectation was that this verification activity would include "an assessment of all participants in the REDD+ process". The GON and GOG now expect to implement a separate tender

---

<sup>1</sup> See Section 2 of the Joint Concept Note.

process in order to verify this aspect of the process. Following is an analysis for the 6 Enabling Indicators, as laid out in the JCN that Rainforest Alliance has been asked to review. Indicators are numbered, and both verification indicators and evidence have been identified by Rainforest Alliance as a way of assessing each Enabling Indicator.

## **2.4 Verification Indicators**

In Section 2 of the JCN, six Enabling Indicators for the fulfilment of the enabling activities have been described. In terms of this independent verification the six Enabling Indicators has been used as a framework for our verification work, titled as follows:

- Enabling Indicator 1: Strategic framework
- Enabling Indicator 2: Continuous multi-stakeholder consultation process
- Enabling Indicator 3: Governance
- Enabling Indicator 4: Financial mechanism
- Enabling Indicator 5: Monitor, report and verify (MRV)
- Enabling Indicator 6: The rights of indigenous peoples and other local forest communities as regards REDD+

RA has used the Enabling Indicators as our starting point, and we have added “Verification Indicators” and “Evidence” to use for verifying the Enabling Indicators.

In the report there is some overlap of the issues treated in each Enabling Indicator, as some subject areas are crosscutting and thus relevant under two or more of the six Verification Indicators.

## **2.5 Procedures for Confidentiality, Conflict of Interest and Complaints, Appeals, and Dispute Resolution**

Rainforest Alliance has in place procedures for maintaining:

- Confidentiality of information sources;
- Identifying and assuring an audit free from Conflict of Interest (COI) issues; and,
- Complaints, appeals, and dispute Resolution processes.

These policies and procedures build on our experience as an independent auditor and certifier since 1987 and follow accreditation requirements which are monitored by the programs with which we are accredited (e.g. Forest Stewardship Council, American National Standards Institute, etc.).

The verification audit was carried out to allow for an open process and transparent process that would also seek to ensure the ability of stakeholders to provide comments to the audit team freely. This was achieved by making public notification of the audit, while at the same time ensuring complete confidentiality of individuals providing comments and inputs when requested. Confidentiality has been applied as the basic principle for our stakeholder communication and reporting of comments and inputs. Comments received by the audit team are treated as confidential unless the person providing the comment has specifically requested to be mentioned by name.

In addition, staff and consultants working for Rainforest Alliance are required to declare in writing a disclosure of any potential sources of COI. See section 1.X, “Stakeholder Comments”, regarding treatment of potential COI for team members in this audit process.

In terms of complaints, appeals, and dispute resolution, if Rainforest Alliance or its clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are encouraged to contact Rainforest Alliance directly with their concerns. Formal complaints or concerns should be sent in writing, at the same time providing credible evidence related to

their concerns. Our policy for handling such complaints, related appeals, and disputes are found at [http://www.rainforest-alliance.org/forestry.cfm?id=dispute\\_resolution](http://www.rainforest-alliance.org/forestry.cfm?id=dispute_resolution).

Separately from Rainforest Alliance procedures, the GON has its own procedures for public procurement processes. This included a two week waiting period for individuals and entities to have the opportunity to appeal the selection of Rainforest Alliance as an auditor for this activity, prior to final auditor contracting.

### **3 VERIFICATION PROCESS**

#### **3.1 Description of Verification Audit Process**

Rainforest Alliance was notified about the nomination to verify the Enabling Activities on the 13<sup>th</sup> September 2010, with an appeal process, allowing objections to the selection of RA to be submitted to GON, as part of Norwegian government procurement policy ending on the 17<sup>th</sup> September.

Upon receiving confirmation of the award the RA verification team immediately initiated preparation activities for the field work and began preparing a public notification and invitation to stakeholders to submit comments. As part of this process, Rainforest Alliance indicated that the verification team would be able to personally meet with stakeholders during the field visit in Guyana in the period from the 10<sup>th</sup> to the 15<sup>th</sup> of October 2010.

The first Progress Report was published by the Office of Climate Change (OCC) on the GOG LCDS website in March 2010, and the second Progress Report was published by the OCC on the LCDS website on the 1<sup>st</sup> of October 2010. This report and the reported progress on enabling activities forms the framework for this verification report.

On the 4<sup>th</sup> of October the audit team contacted the members of the Multi-Stakeholder Steering Committee (MSSC) via email to notify them about the planned verification audit and the visit of the RA verification team to Guyana, and encouraged them to communicate the verification activities to their networks and contacts, by whatever means they felt appropriate.

On the 6<sup>th</sup> of October RA issued a public notification of the forthcoming verification audit along with an invitation for an Open House arrangement scheduled for the 12<sup>th</sup> of October 2010.

The field aspects of the verification audit were initiated on Sunday the 10<sup>th</sup> of October 2010, when auditors arrived in Georgetown, Guyana.

Informal meetings took place on Sunday the 10<sup>th</sup>, and other meetings with representatives from the Office of Climate Change (OCC), the Guyana Forestry Commission (GFC) were initiated on Monday the 11<sup>th</sup> of October in the Office of the President, followed by other individual meetings with stakeholders.

On Tuesday the 12<sup>th</sup> of October the verification team was invited to meet the members of the MSSC as a group. In addition, individual meetings were held with some MSSC members and other individuals and organizations, as listed below. In the evening of the 12<sup>th</sup> the verification team hosted an Open House Meeting at the Pegasus Hotel to allow stakeholders to have informal conversations with the team members. This Open House was publicly announced prior to occurring through the Internet, emails, and telephone conversations, and through “networking” with Rainforest Alliance contacts in or related to Guyana, in addition to capitalizing on the suggestions of the MSSC, GON, GOG and other parties.

On Wednesday the 13<sup>th</sup> of October the verification team visited the Amerindian community of St. Cuthbert as well as the Region 10 Forest Producers Association in Linden. The selection of these communities was carried out with consideration of logistical and time limitations of the verification activity, while also allowing the team to meet with more than one group if interested parties with direct relevance to the forest sector.

From Thursday the 14<sup>th</sup> through Saturday the 16<sup>th</sup> of October the audit team conducted meetings in Georgetown, Guyana with a number of individuals and organizations and government officers as well as holding a final de-briefing meeting with the OCC and GFC. Rainforest Alliance auditors proactively continued reaching out to stakeholders and welcoming comments, observations and evidence throughout the audit process up until delivery of the final report to the GON and the GOG.

The final report went through a process of drafting by Rainforest Alliance, and review of drafts by both the GOG and GON. This process included strong and valuable inputs from multiple members of the MSSC.

### **3.2 Verification Approach**

The strategy for the verification audit was to reach out to all relevant stakeholders immediately after the selection of Rainforest Alliance to carry out the verification and prior to the actual verification field visits in Guyana.

The verification audit that is described in this report included a number of activities aimed at assessing the contents of the Progress Report of Enabling Activities. These activities included:

- Individual interviews with stakeholders and other interested parties,
- Review of official government documents and databases,
- Review of documentation of meetings and stakeholder consultation carried out by the GOG as part of the activities carried out to implement the Low Carbon Development Strategy (LCDS); and,
- Review of other observations or verifications of LCDS activities on the Internet, reports, etc.

The verification team contacted and communicated with a broad range of non-government organizations (NGOs), associations, community representatives, industry organizations as well as individuals in order to evaluate the different viewpoints of the LCDS and REDD+ processes and activities in Guyana. The verification team capitalized on reaching interested parties through the networks of individuals and organizations on the MSSC, as well as capitalizing on prior Guyana-specific experience and networks of Mr. Donovan and Dr. Clarke, and individual or organizational contacts provided by the GON and the GOG. The verification team was not able to contact each and every recommended individual or organization, but attempts at communication were made. It was sought to meet and talk to as many stakeholders as possible within the timeframe of the audit. Inputs from stakeholders and other interested parties was sought soon after the granting of the contract to RA and continue to be welcomed by Rainforest Alliance throughout the process, including up until delivery of a final report to the GON and GOG. Comments received after the submission of final report will be maintained on electronic files by Rainforest Alliance for potential use in any future related verification work, should it happen.

The team has sought to collect and note all comments and inputs from stakeholders and use these as inputs in the verification, while keeping the objective of the assignment in focus.

The strategy of the verification team is to collect and present findings in a way as unbiased and objective as possible, relating general findings and observations to the focus of the verification criteria and the evidence collected to evaluate these criteria. RA has chosen to formulate some of the findings as “observations”. The observations represent a clearly consensus of the auditing team. The observations communicate findings considered by the auditors as important results of our audit that should be taken into consideration for future action by the GOG and, where appropriate, the GON. It is also our intention that the findings and observations in this verification audit be used as basis for planning future verification audits of the Enabling Indicators and also improving the quality of the Progress Reports.

The comments of individuals and organizations are not specifically or personally attributed to them, but considered as evidence provided in full confidence. As mentioned above, RA has provided complete

confidentiality to all stakeholders providing any kind or form of input to this report unless they have specifically asked to be mentioned by name. As noted elsewhere in this report, this was the first independent verification of the Progress Reports. Rainforest Alliance is making recommendations to the GON and GOG on how to improve the verification process in the future, as at this time it is contemplated that future verifications of Progress Reports may continue to happen on an annual basis.

### 3.3 Audit Team

Auditor(s)	Qualifications, Affiliations
Richard Z. Donovan	<p>Richard Z. Donovan (M.S. in natural resources management and administration) is Senior Vice President (VP) and VP of Forestry for the Rainforest Alliance. He has been with Rainforest Alliance since April 1992. As Senior VP he provides strategic programmatic and management guidance to Rainforest Alliance staff and collaborators around the world, assists in policy development, and has focused on climate, forestry and agriculture issues. As VP of Forestry he oversees a global Forestry Division with 100+ staff and 10 regional offices in Bolivia, Brazil, Canada, Estonia, Guatemala, Indonesia, Mexico, Spain and USA, and guiding 3 main programs: a) SmartWood (FSC forest certification and auditing), b) TREES (supporting small and medium-sized enterprises, or SMEs, around the globe in sustainable forest and business management) and c) Markets (monitoring market trends, providing sustainable sourcing cooperation through SmartSource, and creating demand for certified products).</p> <p>He managed a forest conservation and management project for 4 years in Costa Rica for WWF US &amp; Neotropics Foundation, spent 7 years as a natural resources specialist/consultant with ARD, Inc., and for 3 years was a Peace Corps volunteer in Paraguay working with local and indigenous communities on public water supply and sanitation.</p> <p>Richard has 35+ years experience in approximately 40 countries in all forest biomes (tropical, temperate and boreal) and various forest management systems (natural forests, plantations, and agroforestry). He has field experience in Guyana, having worked there on 4 previous occasions, including working on wood industry related environmental impact assessments for the InterAmerican Development Bank, participating in FSC forest pre-assessment of the Barama Ltd., and providing guidance and inputs on legality and FSC certification and verification systems.</p> <p>Mr. Donovan is currently an Advisor to the WWF North America Forest &amp; Trade Network, member of the Steering Committee for the High Conservation Value (HCV) Network, and in 2009 and 2010 was a member of the World Bank Group's Forest Investment Program (FIP) Expert Group. He speaks Spanish, Portuguese, Guarani and English, and is an experienced forest management, chain-of-custody, Controlled Wood &amp; legality auditor/certifier, and familiar with both technical forest management and community relations issues relevant to Guyana.</p>
Gary Clarke	<p>Dr Clarke is a forestry and environmental consultant with more than 20 years experience in temperate and tropical forest ecology and management. Between 1999 and 2008 he was resident and working in Guyana initially as</p>

	<p>a UK DFID Forestry Officer then as a private consultant on various forestry projects for funding agencies such as WWF, World Bank, UNDP, CIDA, DFID, FAO and ITTO. He is currently the lead forestry specialist on an FAO project developing community-based forest livelihoods.</p> <p>Dr Clarke has worked on several forestry ESIA's in Guyana and is the co-author of an environmental assessment of the forestry sector in Guyana and a World Bank report on legality. Dr Clarke is also proficient with GIS and remote sensing and has been involved with forest change and GIS/RS capacity-building in the UK, Guyana and the Caribbean. He has been an auditor with Rainforest Alliance since 2004 and has worked on FSC assessments in Guyana and Suriname.</p> <p>Academic qualifications include a PhD in Sustainable Forest Management from the University of Aberdeen; BSc (First Class Hons) in Forestry from the University of Edinburgh; and BA (Hons) in Geography from the University of Portsmouth.</p>
<b>Christian Sloth</b>	<p>Mr. Sloth has worked for the Rainforest Alliance since April 2006 and filled the role as regional operations coordinator in Asia Pacific until 2008. During that time Christian managed the regional FSC certification services as well as other verification and monitoring services such as forest carbon project verification against voluntary standards such as VCS and CCBA standard as well as experience with IPCC methodologies for AFOLU (REDD, IFM and ARR). In addition Christian has managed delivery of verification services such as legality verification and evaluation of implementation of HCVF management. Since 2008 Christian has managed the Rainforest Alliance legality verification program as well as being responsible for development and management of other verification services. Past employment includes Forestry Expert with FAO in Vietnam and Research Program Manager for the Cambodia Development Resource Institute.</p> <p>Christian holds a master degree from the University of Copenhagen, Denmark in Land-Use in Developing Countries, as well as a master degree in agroforestry from the University of Wales, UK.</p>

### 3.4 Audit Schedule

Date(s)	Location	Main Activities
17 Sept – 10 Oct 2010	Auditor offices in USA and West Indies	Initial outreach to interested stakeholders Review of documentation provided by GOG & GON
10 Oct 2010 (Sunday)	Georgetown	Team arrives in Guyana Initial team meeting and preparation Meeting with Mr. Shyam Nokta Meeting with Ms. Vanda Radzik
11 Oct 2010 (Monday)	Georgetown	Meeting with the OCC Meeting with the GFC Meeting with MoAA Informal meeting with members of the MSSC
12 Oct 2010	Georgetown	Meeting with the GFC

(Tuesday)		Meeting with the REDD Secretariat Meeting with Poyry Meeting with the FPA Meeting with the MSSC Meeting with the PMO Publicly announced Open House arrangement for stakeholders at the Pegasus Hotel in Georgetown Meeting with TAAMOG, GOIP, NADF, David James, CI
13 Oct 2010 (Wednesday)	St. Cuthbert's Mission  Linden	Meeting with St. Cuthbert Mission Amerindian Community Meeting with Region 10 FPA
14 Oct 2010 (Thursday)	Georgetown	Meeting with GFC Meeting with GGDMA Conversation with GGMC Meeting with CI Meeting with the Minister of Finance Closing meeting with the GFC the OCC and MoAA
15 Oct 2010 (Friday)	Georgetown	Richard Donovan and Christian Sloth departure Gary Clarke continued research & private meetings
16 Oct 2010	Georgetown	Gary Clarke departure
21 Oct 2010	Washington DC	Meeting with FCPF
17 Oct 2010 – Jan 2011		Continued receipt of stakeholder inputs through correspondence and interviews by auditors

### 3.5 Persons Interviewed

The following is a list of individuals and organizations that the verification team consulted with, through meetings, telephone conversations, emails and hard copy submissions. Given the relatively short notice from the appointment of Rainforest Alliance as auditor prior to the verification, comments generally represented the observations of the individuals involved and not formal positions or pronouncements by the organizations. Sixteen additional individuals chose to remain anonymous and are not listed in the table below. The individuals desiring anonymity were in the following broad sectors: environmental – 2, economic – 4, indigenous – 8, and social – 2. We should note that the GOG, GON and various MSSC members were concerned that many stakeholders wished to maintain anonymity. There is a concern that the vast majority of anonymous stakeholders were those who oppose the current government or the LCDS or REDD+ initiatives. Rainforest Alliance auditors did not ask this question and cannot confirm this perspective, but we also had conversations with anonymous government staff or other individuals who just feel that anonymity should be acceptable in this verification process. Our standard operating procedure is to honor such requests. One member of the MSSC suggested that stronger encouragement and positive reception for stakeholder engagement by the GOG might reduce the number of individuals wishing to remain anonymous.

Name	Position and Site
Ashni Singh	Minister of Finance, Ministry of Finance, Guyana
Ashton Simon	NADF, member of MSSC
Benoit Bosquet	FCPF

Clive Thomas	Private
Colin Croal	PS MoAA
Colin Klautky	GOIP
David James	Private, member of MSSC
David Singh	Executive Director, Conservation International Guyana, member of MSSC
Edward Goberdhan	Head of Finance Division, GFC
Jagdish Singh	DCF, GFC
Jocelyn Dow	Private, member of MSSC
John Palmer	Private
Karen Livan	GGMC
Members of the Executive	Region 10 FPA
Members of the Executive	Guyana Gold & Diamond Miners Association
Members of the Executive	Forest Products Association
Members of the MSSC	All participants in MSSC meeting of October
Nasheta Dewnath	Project Officer, REDD Secretariat
Pauline Sukhai	Minister of Amerindian Affairs, member of MSSC
Peter Watt	Poyry
Peter Persaud	TAAMOG, member of MSSC
Pradeepa Bholanath	Head - Planning and Development Division Guyana Forestry Commission, member of MSSC
Shyam Nokta	President's Office of Climate Change
Steven Grin	Senior Project Manager, Office of the President
Tasreef Khan	DCoF Forest Monitoring Division, GFC
Vanda Radzick	Private, member of MSSC

### 3.6 Stakeholder Comments

The following are general comments (listed by topic alphabetically) made by some stakeholders regarding the GOG Progress Reports or the Rainforest Alliance verification process in general, listed by topic in alphabetical order.

Subject	Stakeholder Comment	RA response
Conflict of Interest	Concern that Gary Clarke of the Rainforest Alliance team was a member of the management team for a private sector forestry company involved in commercial forest management in Guyana, and that this involvement constituted a conflict of interest.	Rainforest Alliance determined that there would not be a conflict of interest between having past involvement as a director in a private commercial forestry company and being a team member within this current verification audit, as direct support to commercial forestry operations is not a component of the LCDS. Nevertheless, for clarification, neither Gary Clarke nor his wife Trudie Clarke were involved in the management of the company in question (Sherwood Forrest Inc) since 2008 and 2005 respectively and both formally and legally stepped down as director and secretary respectively in September 2009 at the commencement of a joint venture partnership with an investor.

<p>Consultation</p>	<p>The advance notice for this verification activity was too short and did not allow for sufficient consultation in general and in particular with rural communities in the interior of Guyana.</p> <p>The verification team was also advised to stress in our report the need for international NGOs involved in REDD+ or LCDS efforts to be keep improving their efforts.</p>	<p>The verification team was constrained by the timing stipulated in the contract and the time taken to reach a contractor decision. This is also the first of what is expected to be a series of annual or periodic verifications of LCDS progress reports. Based on this first experience, the verification team will be making separate recommendations as to how to improve the verification progress in future years.</p> <p>Comment is made. No additional observation necessary.</p>
<p>Forestry</p>	<p>Consultation can become formulaic and real concerns are not always reflected in documents and policies.</p> <p>There are no direct incentives or demonstration models for best practice reflected in the RGDP.</p>	<p>First, a review of the LCDS consultation process was conducted by IIED and readers are pointed to that document (available on the LCDS website). Based on our limited stakeholder interactions, the IIED report reflects on this consultation issues. It was regarded as both accurate and useful, though it is quite a long report and RA auditors are not sure how many stakeholders have reviewed it. Second, RA auditors would note that there is a wide range of opinions inside and outside Guyana as to the sufficiency or effectiveness of consultations. Clearly subsequent RA verifications, if they are to occur, will need to consider more detailed interactions in the interior of Guyana, not with the intent of repeating or replicating stakeholder work being done as part of the LCDS, but in order to verify the sufficiency of the Enabling Indicators work.</p> <p>In addition to the RGDP, sector-wide incentives and/or models do not appear in the recent consultants' report on the consultations on the NFP and NFPS (which identifies priority areas) nor the MRV Road Map. RA auditors were often questioned as to why such models or incentives were not more explicit or at least addressed in either the RGDP or LCDS.</p>
<p>Mining</p>	<p>Little attention seems to be given to mining and deforestation in the progress report and the LCDS. Neither are there direct incentives or demonstration models for best practice reflected in the RGDP.</p>	<p>Mining issues are largely absent from the progress report and RGDP, though they are addressed in the MRV Road Map document.</p>

<p>Opt In Mechanism</p>	<p>The Progress Reports do not provide detail on the progress related to the Opt In mechanism or discussions with individual communities, or constraints to progress. The Progress Reports also do not clarify the relationship between “opting out” and GOG support for resolving Amerindian land tenure issues. For example if a community “opts out” is the GOG still committed to resolving Amerindian tenure issues for that community?</p> <p>Some stakeholders vigorously object to the observation that the Opt In mechanism is discriminatory by intent or function.</p>	<p>This issue is not clarified in the current Progress Reports, but the audit team makes an observation that it should be clarified in both future Progress Reports and other near-term actions taken by the GOG.</p> <p>No comment.</p>
<p>REDD+ and the LCDS</p>	<p>The activities proposed in the LCDS does not relate to REDD+.</p>	<p>The scope of this audit does not include a review of the LCDS as designed – our focus was on the Enabling Indicators and the related Progress Reports. Questions on the links between REDD+ and LCDS were repeatedly made in comments to RA auditors.</p>
<p>Safeguards</p>	<p>The Progress Reports do not mention any work of the OCC on development of environmental and social safeguards.</p>	<p>At the time of the formulation of the Progress Report, the GRIF Administration Agreement was still under development. Announcement of the signing of the GRIF agreement occurred on the day RA auditors arrived in Guyana. The Press Release of the GRIF establishment states that at least until safeguards for REDD+ have been developed by the UNFCCC, Guyana will apply the safeguards already in used by GRIF Partner Entities. Due to the timing of these announcements, it is recognized that full information on the GRIF process and associated safeguards development could not be included in the Progress Report. However it is noted that the Progress Report contains no clarifying information about the issue of Safeguards.</p>

#### 4 VERIFICATION OF ENABLING INDICATORS PERFORMANCE

<b>Enabling Indicator #1: Strategic framework</b>	
<p>The strategic framework relates to the ability of Guyana to work in a coordinated and transparent manner to manage the different approaches implemented to meet the Low Carbon Development Strategy (LCDS) through REDD+ efforts. These include processes such as those supported by the World Bank via the Forest Carbon Partnership Facility (FCPF) and the UN REDD Programme.</p> <p><b>Conformance to this criterion will require the Government of Guyana to create and implement policies and procedures in a transparent and effective manner through internationally recognized frameworks (such as FCPF) that will enable effective implementation.</b></p>	
<p>1.1 Financial planning mechanisms to disperse funds shall be in place.</p>	<p>Evidence: Documentation of mechanisms (i.e. systems) to disperse funds is available.</p>
<p>Findings:</p> <p>On October 9<sup>th</sup>, 2010 the GON and the World Bank International Development Association (WB IDA) signed the Administrative Agreement establishing the Guyana REDD-plus Investment Fund (GRIF). Public announcement of this signing was made through the LCDS website and in local Guyana newspapers on Sunday October 10<sup>th</sup>, the day that field work on this verification audit began. The GRIF Administration Agreement outlines the standard provisions for the GRIF. Due to the timing of the Annual Progress report and the signing of the Administration Agreement, this was not mentioned in the Annual Progress report. No mention of the proposed structure and functioning of the GRIF are made in the Annual Progress report.</p> <p>The second Progress Report mentions the signing of a Grant Agreement between GOG and the WB entitling Guyana to an initial amount of 200,000 USD under the FCPF for readiness activities. At the time of the audit these funds had not yet been released by the WB and the Progress Report states that Guyana is still awaiting the release of these funds.. The grants received under the FCPF for readiness activities are not managed under the GRIF, but are to be managed under a separate, direct agreement with the WB.</p>	
<p>1.2 Financial planning systems shall be implemented.</p>	<p>Evidence: Evidence that the financial planning system is implemented and used.</p>
<p>Findings:</p> <p>As no international funds have been dispersed at this point through the GRIF or LCDS process, it was not possible for the audit team to verify how the financial planning and administration mechanisms are implemented and there is no discussion of this in the Progress Reports, beyond normal government reporting methods. Auditors observed that the GOG itself has made financial allocations or investments in REDD+ readiness and the LCDS. GOG spending has been reported on as part of GOG financial accounting procedures and as part of national budget reporting to Parliament by institutions such as GFC and OP. The GFC puts information on its website: <a href="http://www.forestry.gov.gy/Downloads/Update_on_Support%20Received_for_Guyana_REDD+_Activities.pdf">http://www.forestry.gov.gy/Downloads/Update_on_Support%20Received_for_Guyana_REDD+_Activities.pdf</a>. GFC has also noted that both the National Toshi Council (NTC) and GFC have both attempted to continually inform stakeholders that the disbursement from the FCPF has not been released.</p> <p>One of the consistent observations by stakeholders and other interested parties in Guyana was that there has been an absence of communication</p>	

about the exact status of investments made either by the GOG, or for that matter by the GON or other parties, and a number of stakeholders inquired as to why the Progress Reports weren't used to provide summaries of this. This has created uncertainty and concern about the status or progress of the LCDS, GRIF, etc. Some stakeholders indicated that misinformation, or even disinformation (some parties providing inaccurate information or spreading rumors on purpose), was actually occurring both in Georgetown and/or in distant rural communities. The verification team could not find evidence of the latter, but interactions with stakeholders do indicate a lack of information on the status of funding, i.e. that issues related to funding delays are not being effectively communicated. The above points to the problem that the GOG is relying principally on websites for transmitting information – in a situation where there is a relative labyrinth of information for web users to digest and, for non-web users, alternative means of communication are insufficient.

1.3 Financial reporting and systems shall be consistent.

Evidence:  
A process for regular reporting is in place and followed.

Findings:

The Progress Report does not mention the activities undertaken to establish financial reporting systems either for funds provided under the GRIF. According to the Administration Agreement for the GRIF, the Partner Entities<sup>2</sup> shall be responsible for providing financial management and reporting as well as implementing environmental and social safeguards according to each individual Partner Entity's own procedures. The GRIF Trustee (the WB) is also responsible for providing the Steering Committee with regular financial status reports.

Some stakeholders have commented that GOG has not provided sufficient detail on financial allocations or investments made for LCDS or REDD+ readiness. As referred to in findings for other indicators, the lack of transparent or up to date information on the process for regular financial reporting systems creates uncertainty, allegations of inappropriate use of funds, and a perception that the LCDS or REDD+ initiative is stalled and not progressing.

1.4 Strategic collaboration between different sectors involved with varying approaches shall be implemented.

Evidence:  
Evidence of strategic collaboration between sectors and between varying approaches is documented or evident through interviews with stakeholders.

Findings:

The RPP contains an overview of institutions currently involved in the LCDS activities of Guyana. In addition it contains an overview of other entities and stakeholders involved in the process.

Additional information about how different sectors have been involved is found in Criterion 2.

1.5 Transparency of activities

Evidence:  
Financial reporting results are distributed publicly and/or to critical stakeholder representatives on a regular basis, or consistently available upon request on a timely basis.  
An overview of all funding directed to activities relevant to REDD-plus/LCDS efforts in Guyana is publicly

<sup>2</sup> Partner Entities are defined in the Administration Agreement of the GRIF.

	<p>available.</p> <p>The overview of funding directed to REDD+ and LCDS is updated on the LCDS website on a regular and timely basis.</p>
<p>Findings:</p> <p>At the time of the verification audit, no funds had been dispersed through the GRIF and thus it was not possible to evaluate definitively the transparency of the financial reporting related to it, particularly for the use of international funds. It was observed that the funds channeled through the GRIF are to be included in the National Budget of Guyana and become public information. The GRIF Administration Agreement (Appendix A: Governance Framework Document) contains the requirements for the different entities that are going to be involved in the management and use of funds and stipulates that the Steering Committee, through the Secretariat, must ensure that information of GRIF activities is available on a public website and provide information to the public about such activities.</p> <p>As no funds have yet been released through the GRIF it is not possible at this time to evaluate the effectiveness of the efforts of the Steering Committee to make information about financial matters publicly available in a an transparent manner. At this point an indicative investment plan for funds expected to be received in 2010-2011 is available in the LCDS document, but is not mentioned or reflected upon in the Progress Reports.</p> <p>As referred to elsewhere, the absence of timely, publically available information on resources invested on the part of the GOG, or for that matter other donors on related activities, is cause for concern. Given the broad scope of the REDD+ initiative, and the range of GOG activities with multiple donors, more comprehensive reporting on such investments is important. The absence of such reporting creates skepticism as to the GOG's transparency in financial management of REDD+ (and LCDS) investments.</p>	
<p>1.6 Systems and procedures institutionalized and implemented to coordinate between activities such as those related to the LCDS, UN REDD+ and FCPF.</p>	<p>Evidence:</p> <p>By design, systems and procedures build on and foster coordination between LCDS, UN-REDD+ and FCPF.</p> <p>Written records or interviews demonstrate coordination between the above parties.</p> <p>REDD+ is clearly integrated into the LCDS.</p>
<p>Findings:</p> <p>Guyana's draft LCDS, whose development was coordinated by the OCC, sets the framework under which economic development and climate change mitigation is suggested to be enabled through the generation of payments for forest services in a mechanism of sustainable utilization and development. The intended result is to be the transformation of Guyana's economy whilst combating climate change though four key dimensions: (1) value of Guyana's forests (mitigation), (2) low carbon development opportunities, (3) adaptation plans, and (4) the involvement and socio-economic development of all Guyanese.</p> <p>The LCDS mentions REDD+ as an operational mechanism that will enable the model to be executed and monitored with the former intended as the strategic framework.</p> <p>The Progress Report states that REDD+ is recognized as a key component of the LCDS, but no additional information is included on how this will take effect or implemented, or how the activities proposed in the LCDS for year 2010-2011 relates to REDD+ activities.</p> <p>The LCDS contains references to REDD+ and states that specific measures will be included in the REDD+ Governance Development Plan (RGDP)</p>	

which is currently in a draft format. The RGDP outlines that an avoided deforestation mechanism will be developed “if an adequate UNFCCC (or interim, or bilateral) REDD-plus mechanism is created”.

In April 2009 Guyana joined 34 other countries in the Informal Working Group on Interim Financing for REDD+ (IWG-IFR). Pending the creation of a UNFCCC REDD-plus mechanism, in the short term (up until end-2015) Guyana aims to participate in a REDD-plus mechanism along the lines set out in the report for the IWG-IFR. Guyana has also associated itself with the Copenhagen Accord, and its provisions for fast start funding for REDD-plus.

As mentioned elsewhere in this report, a number of stakeholders indicated to RA auditors that there is little explicit information in the progress report and the LCDS about how REDD+ investments directly relate to the LCDS. GOG staff indicates that the LCDS is quite explicitly a REDD+ investment, but there are numerous stakeholders who, whilst supporting the LCDS, are not as clear on the linkages.

1.7 Procedures to ensure “adaptivity” of strategy to incorporate findings from stakeholder consultation and internal monitoring into the strategic framework.

Evidence:

Written procedures describing mechanisms for incorporating feedback from ongoing consultation and monitoring exist

Records of inputs to the strategy are kept.

Evidence of how this input is used is available (documented or through interviews).

An internal monitoring system exists.

Information from the monitoring system is used to improve the strategic framework.

Findings:

This indicator is also treated under indicator 2.4.

The following is an outline of the stakeholder process as described by the OCC:

1. Prior to the launch of the LCDS in June 2009, the MSSC was established.
2. With assistance from IIED, the MSSC developed and approved the Conceptual Process Framework (available on the LCDS website).
3. Following the LCDS launch in June 2009 the OCC along with sector Agencies such as the GFC, Ministry of Amerindian Affairs and MSSC members undertook nation-wide consultations and awareness sessions.
4. Information was also disseminated through mass media – newspapers, web, email by the OCC working closely with the MSSC
5. OCC compiles reports from all sub-national consultations and awareness sessions (available on the LCDS website).
6. The OCC established a database to track all responses (letters, emails, articles) as well as reports from the sub-national consultations and awareness sessions.
7. Following the initial period of extensive stakeholder engagements, the MSSC identified a Drafting Committee to work with OCC on reviewing responses.
8. The Drafting Committee at its 1<sup>st</sup> meeting established the procedure for this.
9. The OCC submitted to the Drafting Committee the database of all responses including summary reports from sub-national consultations and awareness sessions
10. The Drafting Committee identified 12 Broad Thematic Areas and assigned responsibilities to members.
  - Forestry and REDD
  - Process

- Mining
  - Mining and Logging
  - Land Issues
  - Indigenous people
  - Financing
  - Agriculture
  - Linkages
  - Other Economic Opportunities
  - Other
  - New Emerging Opportunities
11. The Drafting Committee tasked the OCC to group all responses in accordance with the Thematic Areas. A system was designed whereby the frequency of each response was identified, and it could be referenced to its source (report, email, etc).
  12. The responses for each Thematic Group were analyzed by the team members assigned
  13. For each response, recommendations were made by each Thematic Group to – note, address in FAQ, or include in 2<sup>nd</sup> draft LCDS.
  14. Recommendations from each Thematic Group were presented to the Drafting Committee and discussed and finalised.
  15. The Drafting Committee presented its findings to the wider MSSC - Matrix.
  16. Analysis recommendations were submitted to the authors of the LCDS and incorporated into the 2<sup>nd</sup> draft LCDS.
  17. The 2<sup>nd</sup> draft LCDS was presented to MSSC and launched prior to Copenhagen. A revised FAQ was also prepared.
  18. The revised LCDS of May 2010 benefitted from responses as well but these were minimal.
  19. The OCC continues to track responses on the LCDS and to place these in a database which is updated daily. However, since the initial extension stakeholder engagements responses have not been extensive and are mainly newspaper articles and a few letters. The OCC has a core team that manages all responses on the LCDS.

It is recognized that the above process and steps have been comprehensive and relatively consistent in nature. The state of these activities up to calendar year 2009 was previously subject to an independent review by IIED. However, since late 2009, a number of stakeholders noted that there has been a drop off in the intensity of consultation and documented interactions. Both stakeholders and GOG staff indicate this is due in large part to the delays in arrival of international financing, but clarity on constraints is not referred to in the Progress Reports.

### **Overall Conclusions Regarding Enabling Indicator #1 – Strategic Framework**

Guyana's draft LCDS, developed by the Office of Climate Change (OCC), sets the framework under which economic development and climate change mitigation is envisioned will be enabled through the generation of payments for forest services in a mechanism of sustainable utilization and development. The result is intended to be the transformation of Guyana's economy whilst combating climate change through four key dimensions: (1) value of Guyana's forests (mitigation), (2) low carbon development opportunities, (3) adaptation plans, and (4) the involvement and socio-economic development of all Guyanese.

In April 2009 Guyana joined 34 other countries in the Informal Working Group on Interim Financing for REDD+ (IWG-IFR). Pending the creation of a UNFCCC REDD-plus mechanism, in the short term (up until end-2015), Guyana aims to participate in a REDD-plus mechanism along the lines set out in the report for the IWG-IFR. Guyana has also associated itself with the Copenhagen Accord, and its provisions for fast start funding for REDD+.

The LCDS mentions REDD+ activities as an operational mechanism that will enable the model to be executed and monitored with the former intended as the strategic framework. A strategic framework is in place and being implemented. On a public level there is a lack of clarity on the relationship

between the REDD+ efforts and the LCDS and inadequate clarity in the Progress Reports on how the GOG will handle safeguards.

As another activity of the LCDS, Guyana has developed a Readiness Preparation Proposal (RPP) for the World Bank Forest Carbon Partnership Facility (FCPF). The general objectives of the RPP are to identify and present studies, consultation and other preparation activities that will be conducted in the preparation phase. A more specific objective of the RPP is to develop an effective mechanism to monitor report and verify forest carbon stock under a forest carbon financing mechanism which is being proposed under the LCDS. The RPP is intended to form the operational mechanism that will allow for financial incentives to be monitored, reported and verified and should result in transparency and fiduciary oversight to be provided to the model of incentives payments provided for under the LCDS.

The draft of Guyana's REDD+ Governance Development Plan (RGDP) was released in September 2010 and outlines a number of activities related to governance that is, according to the GOG, aimed at supporting the development of REDD+ readiness in Guyana.

Though it is acknowledged that the LCDS, RGDP and RPP has been developed with REDD+ activities as a theoretical centerpiece, it is observed that a gap exists amongst many stakeholders in consistently understanding the links between the stated commitment to REDD+ and the indicative investment plan outlined in the LCDS. The activities proposed for funding in the LCDS focus on issues related to economic development towards a low carbon economy, development of clean energy sources (the Amaila hydro power project) and investments to assist in resolving land tenure challenges for Amerindian communities. Whilst LCDS initiatives are clearly seen by the GOG government as REDD+ contributions, numerous stakeholders are less clear on the linkages. The RGDP mentions a number of activities aiming at transforming the Guyana forestry sector and the RPP outlines possible REDD+ activities, but these activities that are more related to REDD+ are proposed to be funded through the FCPF, and not through the GRIF. Thus it is not consistently clear how the indicative investments plan (LCDS pp. 51) or the Indicative Remuneration for LCDS (LCDS pp. 22) for the funds received through the GRIF is related to REDD+ and to the reduction on emissions of forest carbon or forest conservation.

It is acknowledged that the UNFCCC REDD+ framework has not yet been implemented and that development towards a low carbon economy is a positive goal, but it is observed that there is a lack of analysis of the connection between the indicative investment plan in the LCDS and the Interim performance indicators (Annex 3 of the Progress Report). It is further observed that the draft Progress Report 2010 does not make any mention of these issues, but is limited to stating that a number of activities have been undertaken under the FCPF process.

**Specific Observation 1–2010** - There is a gap in some stakeholders' understanding of the links between the stated commitment to REDD+ and the activities proposed in the LCDS – the links are not discussed in the Progress Reports. Though both GON and GOG officials believe the links are clear, this clarity is not shared by some stakeholders. The activities proposed for funding in the LCDS document focus on issues related to economic development towards a low carbon economy, with insufficient explanation as to how these activities are envisaged to reduce deforestation and degradation or conserve existing forest resources. Information on how planned activities are envisaged to achieve REDD+ goals (forest conservation and/or reduced deforestation and degradation) should be made clearer to improve transparency.

**Specific Observation 2–2010** - The Progress Reports do not contain information clarifying the issue of safeguards; a topic of high interest by many stakeholders. It is stated in the Administration Agreement that environmental and social safeguards of the individual Participating Entities will be applied in absence of a UNFCCC REDD+ framework; however it is not clear how the GOG will ensure that safeguards of Partner Entities are adequate or how they are being implemented to date.

## ***Enabling Indicator #2: Continuous multi-stakeholder consultation process***

**Stakeholder consultation is key to ensure transparent and equitable implementation of the REDD+ activities and paramount in assuring that indigenous peoples and other forest-dependent communities are given the ability to choose if and how they will participate in these processes. It is required that Guyana implements LCDS activities subject to institutionalized, systematic and transparent processes of multi-stakeholder consultation. The following key Principles and Articles enshrined in the Guyana Constitution (2003) will serve as the overarching**

**framework which anchors the national stakeholder process for the LCDS review:**

- **Article 13: Democracy and Decision-Making**
- **Article 149 G: Indigenous Peoples Rights**
- **Article 149 J: The Environment**
- **Article 154 A: Protection of Human Rights**
- **Free, prior and informed consent has been adopted as a policy by the Government of Guyana and the verification process is envisioned to verify if this policy is adhered to in a consistent and effective manner.**

2.1 Stakeholder consultation methodology and management shall be developed (institutionalization, transparency, independence, equitability)

**Evidence:**

A written stakeholder consultation methodology exists.

The methodology is available.

The methodology is followed.

The methodology allows for independent input.

The methodology is perceived as equitable to interested parties, irrespective of geographic location, interest group.

**Findings:**

In order to guide a stakeholder consultation process, a “conceptual process framework” was developed, then reviewed and approved by the MSSC, and then implemented, led by OCC and GFC. The draft October 2010 Progress Report accurately refers to the fact that consultation activities have continued. Auditors were able to verify that:

The MSSC has continued to meet regularly. Numerous members of the MSSC pointed observed that it serves a valuable function, minutes of meetings are publicly distributed, all topics are open to discussion, and that its existence and function should be seen as positive performance for meeting Indicator 2.1.

The public report done by IIED in October 2009 reviewing the performance of the LCDS consultation strategy is public.

A draft REDD+ governance plan is publicly available and under review and discussion.

A brief Frequently Asked Questions (FAQ) document has been developed and distributed.

A concept paper describing a draft Opt-In mechanism for Amerindian communities was drafted and was distributed in March 2010. It continues being discussed by various organizations, individuals and entities inside and outside of government processes. A key mechanism for distribution of information and discussions has been the National Toshios Council (NTC), through conference or meetings held in Georgetown, field meetings with verbal presentations and discussions, and distribution of materials in printed materials (by the NTC and other organizations).

A draft report on the Extractive Industries Transparency Initiative (EITI) was made available.

A 2 day public workshop on forest legality occurred in September 2010.

Various technical reports have been made available, primarily through the LCDS website, e.g. CIFOR (Nasi and Trevin) report on forest legality, FAO (Cedergren) report on forest carbon measurements and reporting, and FLEGT briefs.

MSSC, OCC, GFC and others participating in the initiative have attended numerous meetings in Guyana and elsewhere.

The Progress report is accurate in describing activities which have occurred. A number of stakeholders pointed to the “Frequently Asked Questions” or FAQ, document as particularly useful because it provides useful information in an abbreviated format that users found both understandable and accurately reflective of the LCDS/REDD+ efforts.

Some weaknesses in the consultation approach or performance have been noted and were documented in the IIED review of the consultation process. Other weaknesses were mentioned to the auditors, particularly the absence of consistent interaction with parts of the mining sector, inconsistent interaction with some remote Amerindian communities, the inconsistency of GOG staff in referring to not just the positive aspects of the LCDS but also constraints faced or limitations, and unclear dynamics related to REDD+ investments in the commercial forestry sector or for that matter with some non-Amerindian communities. These weaknesses or the constraints faced by the GOG are not reflected in either of the Progress Reports. This may be because these weaknesses have not always been explicitly communicated to the OCC, GFC or the MSSC. Other perspectives to auditors included:

- Consultation-related recommendations imbedded within the IIED report have not been consistently taken into consideration or reported on in the Progress Reports.
- The MSSC is perceived to be a forum for discussion, but a few stakeholders suggest that it does not consistently welcome dissent. There is a perception by a few parties that if a member dissents on X issue, they can become marginalized in discussions. A number of MSSC members strenuously disagree with this perspective.
- In general the LCDS/REDD+ initiative tends to communicate the positive aspects of the process, and generally speaking does not address the challenges or constraints faced.

2.2 Free, prior and informed consent has been adopted as a policy by the Government of Guyana in this process.

Evidence :

The policy is available (see Developing a Framework for an “Opt in” Mechanism for Amerindian Communities” Concept Paper, March 2010)

FPIC is followed with respect to other interest groups.

Findings:

The draft “Opt-In Mechanism” plan was developed and distributed as of March 2010 and is currently under review and discussion (i.e. it is not final). Accurate or not, the Opt-In Mechanism is widely regarded by stakeholders as applicable only to Amerindian communities<sup>3</sup>. A majority of the individuals interviewed during this audit indicated that either they or their organizations, which may work in the interests of Amerindian Communities (governmental and non-governmental), are supportive of the general Opt-In approach being proposed. They also indicate that it is a positive manifestation of FPIC. However, there was also concern indicated that the Progress Reports do not clarify key concerns or constraints being faced during discussion of the Opt In mechanism. This is significant as Guyana’s policy on land rights has been criticised by the United Nations. A concern mentioned is that Amerindian communities which “opt out” will “not be given support for resolving land tenure issues” (stakeholder quote), i.e. that resolution of Amerindian land tenure issues for certain communities across Guyana might be “held hostage” (stakeholder quote) to whether or not they “opt in”.

<sup>3</sup> It is not unique to Guyana that Amerindian or indigenous communities often prefer not to be referred to as stakeholders, but rather as interested parties, rights holders, or other similar language. With all due respect, this observation or sensitivity is not shared by other stakeholder groups who believe that the term stakeholder is a broad one and can imply to any number of “stakes being held” (e.g. financial stake, land or other customary or legal tenure rights, etc.). In the context of this report, the perspective of the auditors is that the term stakeholder is all encompassing and does not circumscribe or limit the range or depth of rights, concern or financial, tenure or other “stakes” in the LCDS or REDD+ process.

Given the time limitations of our verification activity, and the lack of detail on progress or these issues in the Progress Reports or other documentation, more definitive statements on the state of the opt in process or this issue as reflected in the Progress Reports by RA auditors is inappropriate. Most interests pointed to the need for further review of the Opt-In document, particularly for communities in the interior of Guyana, and the desire to see a final or close to final version that can be used for further negotiations between the government and Amerindian communities related to the LCDS/REDD+ initiative.

Historically the concept of FPIC has often focused on the needs and aspirations of indigenous communities, e.g. in Guyana with Amerindian communities. A number of individuals indicated that FPIC should clearly not just apply to Amerindian communities, but to all communities. Some individuals from Amerindian communities and organizations indicated that it does not appear that non-Amerindian communities are well-organized or as clearly involved in the LCDS/REDD+ initiative as Amerindian communities are. (Note: Recently there has been the development of REDD+ environmental and social standards by CARE and the Climate, Community and Biodiversity Alliance – CCBA. As part of the standard, FPIC is addressed. The use of such a standard, or elements thereof, might be valuable for future reviews of FPIC and/or the overall LCDS/REDD+ initiative in Guyana.)

A factor that is negatively affecting perceptions regarding FPIC is the perceived delay in the arrival of international financial resources/benefits to Amerindian and other communities. This has at least two implications. First, rumors abound as to the delay of resources, with some communities even indicating they have received funds (auditors could not confirm these claims by some communities and the GOG was clear in stating that this has not yet happened), some parties alleging misuse of funds, etc. Second, GOG representatives indicate there will be a phase of in-depth discussion and interaction with all communities where investments might be made, as envisioned as part of the opt-in process, when resources are place – resources to assist in covering more in-depth discussions in the communities as well as investments related to LCDS or REDD+. Some GOG staff clearly indicated that their efforts are constrained because financial resources have not arrived, further and deeper community-specific consultations cannot occur, and the full level of envisioned LCDS/REDD+ investments/benefits to communities are not yet happening.

What is missing from the Progress Report, as described elsewhere in this audit report, is a more consistent identification of constraints (e.g. need for revised version, more consultations and engagement with specific communities – Amerindian or otherwise) and clarity on timeframes or milestones going forward (when the next version of the Opt-In document will be produced and available, perspectives on expected implementation dates – even if there are questions about the timing).

2.3 The following key Principles and Articles enshrined in the Guyana Constitution (2003) serve as the overarching framework which anchors the national stakeholder process for the LCDS review and are adhered to in a consistent and effective manner:

- Article 13: Democracy and Decision-Making
- Article 149 G: Indigenous Peoples Rights
- Article 149 J: The Environment
- Article 154 A: Protection of Human Rights

Evidence:

Actions demonstrate adherence to the cited Articles.

Findings:

The Progress Reports provide information that commits the GOG to adhere to the Principles and Articles referred to above. A few observers indicate

deep concern that the government is not being transparent enough in its communications that would allow observers to evaluate how the government is addressing these issues. The IIED report didn't review each and every one of these articles and commitments and GOG performance, though the report does reflect positively on GOG performance in terms of seeking stakeholder input and respectfully considering stakeholder suggestions. RA auditor interactions with stakeholders make it clear that there is a political divide in Guyana that affects perceptions and observations on the LCDS/REDD+, with much (but not all) of the division occurring along the lines of affiliation between political parties. Auditors spoke with individuals who either associate themselves with "the opposition party", or are identified by others as such. Some (not all) of these individuals indicated strong support for the LCDS but a concern that political "opposition" representatives were not being given fair treatment or involvement in LCDS/REDD+ governance, consultation or management. Auditors could not definitively confirm or deny such claims. The auditors were able to view acts of government (i.e. votes in the legislature) that formally affirm multi-party support for the LCDS. Government staff indicates that the above Principles and Articles must be adhered to in the implementation of REDD+ and the LCDS, and in general the stakeholders interacted with gave the observations that adherence was occurring.

2.4 Procedures and systems including feedback and adaptation systems shall be implemented.

Evidence:  
 Procedures exist (see 1.7)  
 Feedback is consistently documented.  
 Evidence exists that adaptation is considered and where appropriate occurs based on the feedback received.

Findings:

The OCC and GFC both have procedures in place to document inputs received. Auditors reviewed the systems put in place and verified they exist.

A number of weaknesses were noted, as follows.

Documents posted on the website sometimes do not have a date on them (even if a document is a draft, a date should be documented).

Progress reports do not provide information on the quality or quantity of inputs received or how concerns/comments were taken into consideration in the LCDS or REDD+ process.

As compared to the level of consultation activity in 2009, it is the auditors' impression that there has been less activity in 2010 in terms of stakeholder inputs on LCDS processes. Absolute metrics on such consultations, by year, are not documented in the above mechanisms or easily available. Some observers perceived a downturn in LCDS activity and enthusiasm due to lack of progress in international funding and support, which logically could also affect the resources devoted to consultation.

As noted elsewhere in this report, constraints or challenges faced during the implementation of the LCDS are notably absent from the progress reports, creating a perception on the part of a number stakeholders that the GOG only wants to report on events with a "positive spin" and does not want to acknowledge difficulties, constraints, etc. This is despite the fact that in communications with the auditors, staff at the OCC, GFC and MOAA openly acknowledged challenges they face, discussed how they are attempting to address them, and in most cases identified the delay in international funds as having a negative influence on the process.

2.5 Specific attention to indigenous groups and forest dependent communities shall be incorporated.

Evidence:  
 Records of meetings and other inputs from indigenous and forest dependent people exist.  
 Evidence demonstrating how the above input has been incorporated into the consultation process.

	<p>Records of meetings and other actions demonstrate participation of women.</p> <p>Evidence demonstrating how women’s perspectives are considered in the consultation process (e.g. Report of Awareness Session with Women’s Organisations – July 21, 2009 and Report on discussions at workshop convened by Rural Women’s Network).</p>
<p>Findings:</p> <p>Progress Reports refer to interactions with indigenous and forest dependent communities. Through conversations with various Amerindian individuals and organizations it is clear that the indigenous community in general receives a great deal of attention in the REDD+ process, involving GOG representatives and many other individuals and organizations. As per elsewhere in this report, the constraints and challenges faced in such interactions (which are significant and real) are not described in the Progress Reports. Virtually every stakeholder the auditors spoke with mentioned the twin challenges of: a) communication with remote villages on the substance or progress of the LCDS; and, b) despite years of discussions, the perception that the benefits of the LCDS/REDD+ investments are slow in coming. A few observers indicated that GOG representatives, and GOG Progress Reports, do not always or consistently present the full picture of LCDS, including both “upsides and downsides”, commitments required, etc.</p> <p>In terms of the participation of women, discussions in meetings with the MSSC and other stakeholders indicate that the LCDS process appropriately recognizes the challenge of the involvement of women. However, Progress Reports do not provide detailed evidence or metrics related to the actions focused on women. Actions are being taken that are not documented in the Progress Reports, and the format of the report does not seem to provide a facile way of presenting such information. For example the July 21, 2009 half day session involved some 46 individuals (43 women, 3 men), but such metrics (e.g. # of meetings, # and gender of participants, etc.) are not consistently presented in the Progress Reports.</p>	
<p>2.6 The use of multi-stakeholder consultation and special attention to indigenous groups will be verified according to the Government of Guyana’s “<i>Conceptual Framework on Process for the Multi-Stakeholder Consultations on Guyana’s Low Carbon Development Strategy</i>”.</p>	<p>Evidence:</p> <p>Procedural elements of the cited Conceptual Framework are implemented.</p>
<p>Findings:</p> <p>As documented by the IIED report, and further reflected on the Progress Reports, there is an accurate reflection of consultation and special attention to indigenous groups. However there do not appear to be clear metrics for expectations that can be consistently reported upon in the Progress Reports.</p>	
<p><b>Overall Conclusions Regarding Enabling Indicator #2 - Continuous Multi-Stakeholder Consultation Process</b></p> <p>The GOG has gotten off to a positive start in terms of the stakeholder consultation process. The GOG has been generally successful in its stakeholder outreach. However stakeholder consultation progress in calendar year 2010 was less evident (apparently due to lack of funding) both to some members of the MSSC, other stakeholders, and records reviewed by the audit team. The reduced consultation has, for some stakeholders, created uncertainty as to the state of activities overall.</p> <p>The consultation process has generally been true to the expectations outlined above in the Enabling Indicator. This is reflected in a separate external review of the stakeholder consultation process implemented by IIED, and though there are some negative observations on the continuing consultation process, most stakeholders or interested parties have favorable comments.</p>	

Overall there has been a gap in Progress Reports as they have not referred to the major constraints or challenges faced, either in the development/implementation of the LCDS/REDD+ approach, consultation challenges, or how interactions between the GOG and communities and other stakeholders have been negatively affected by the delays in international funding. Some stakeholders attribute this to the GOG wish to stress the positive of Enabling Indicator (and LCDS) progress, and not reflect negative issues or challenges.

In general the MSSC has provided an invaluable function for liaising with diverse stakeholders and interested parties, though a number of observers suggested that a review of the current composition of the MSSC should occur in order to ensure that key stakeholder groups are not left out. A few stakeholders also observed that, though the MSSC is a welcome structure, the OCC and the President should unequivocally communicate the importance of open dialogue (positive, negative or neutral) on the MSSC. A few stakeholders also mentioned that there are stakeholders or other interested parties in the MSSC that do not consistently participate and that such parties should be replaced by individuals or organizations that will more actively engage (whether such active engagement is positive, negative or neutral in tone and content).

**Specific Observation 3-2010** - Though the overall LCDS multi-stakeholder consultation process has been comprehensive in nature (as separately verified/reviewed by a respected international organization, IIED), the challenges and constraints of continuous stakeholder consultation efforts since 2009 are not sufficiently reflected in the Progress Reports, particularly the challenges of interacting with Amerindian communities in the interior of Guyana.

**Specific Observation 4-2010** - Reporting on follow up to the recommendations that appear in the IIED review has not been done in the Progress Reports and should be reflected in the next Progress Report.

**Specific Observation 5-2010** - Progress Reports do not consistently provide detailed quantitative or qualitative metrics on achievements with regard to the multi-stakeholder consultation process. For example the listing of stakeholder meetings held or other activities is incomplete, and there is inconsistent information on who participated, the numbers of participants, interest groups they represent, gender, etc.

### ***Enabling Indicator #3: Governance***

**The development of a transparent, rules-based, inclusive forest governance, accountability and enforcement system is the third indicator listed in the JCN. The development and implementation of the governance model should be integrated with the LCDS. Appropriate experiences from REDD+-relevant initiatives and projects nationally and internationally should be implemented. Important crosscutting issues that relate to governance will be included in the verification including issues such as participation, transparency, accountability and coordination in the design and implementation of the REDD+ process.**

3.1 A REDD+ governance development plan (RGDP), which includes the issues listed in “Table 1 Contents of REDD+ Governance Plan” of the JCN shall be developed. The plan should have clear requirements and timelines for its implementation.

Evidence:  
 RGDP is developed.  
 RGDP requirements are clear.  
 RGDP has clear timelines for implementation.

#### **Findings:**

An outline of Guyana’s REDD-plus Governance Development Plan (RGDP) was prepared at the end of 2009. In this reporting period, the draft RPGP was prepared, and includes 23 thematic areas, with clear requirements and timelines for its implementation. Several elements of the draft Plan are already being implemented.

<p>The latest working draft plan has been developed and the requirements are clearly stated in a series of 23 initiatives/activities (see general comments below). An assessment of progress on each of the initiatives was conducted by the audit team and overall based on the extensive evidence presented progress is good: assessment has been presented separately to GOG and GON at their request.</p>	
<p>3.2 Steps shall have been taken to establish independent forest monitoring (IFM) by a credible, independent entity.</p>	<p>Evidence: Records document steps taken to establish IFM. Selection criteria emphasize credibility and independence.</p>
<p><b>Findings:</b></p> <p>Terms of reference has been developed for the IFM provider. This was reviewed by the GOG, the GON, and circulated for comments at the MSSC, and was subsequently finalized. A public call for proposal/bids was made in August using local, regional and international media outlets. The initial scoping mission was expected to be conducted during the last Quarter of 2010. The execution of IFM will occur annually in the interim period and thereafter will be conducted at intervals of maximum 2 years.</p> <p>The draft TORs were developed and reviewed by the GOG, and circulated for comments by the members of the MSSC in May 2010. The tender for the provision of IFM services is posted on the LCDS and GFC websites <a href="http://www.lcds.gov.gy/tender-for-ifm-services.html">http://www.lcds.gov.gy/tender-for-ifm-services.html</a> and <a href="http://www.forestry.gov.gy/news.html">http://www.forestry.gov.gy/news.html</a> along with detailed TORs. At the time of the audit the selection of candidate was ongoing – awaiting final feedback from some members of the MSSC – but had not been completed.</p>	
<p>3.3 Activities shall be undertaken to initiate a formal dialogue with the European Union, with the intent of joining the Forest Law Enforcement, Governance and Trade (FLEGT) processes towards a Voluntary Partnership Agreement (VPA).</p>	<p>Evidence: Formal dialogue with EU has occurred with the intent of joining FLEGT process and moving towards a VPA. Records of meetings and actions taken.</p>
<p><b>Findings:</b> A FLEGT team visited Guyana in March 2010 to share information on FLEGT, and to interact with stakeholders. Stakeholders included the MSSC, NTC, forest producers, indigenous NGOs as well as government agencies. From this time, the GOG remained in discussions with the EU FLEGT officials through the Ministry of Agriculture, GFC and the Guyana High Commission in Brussels. Resulting from these discussions, the GFC in collaboration with the EU FLEGT program office, held a national workshop in Guyana that brought together a wide range of stakeholders for the main purpose of continuing discussions on EU FLEGT and for sharing ideas on the implications, requirements, advantages and disadvantages of Guyana joining the EU FLEGT process. The workshop was held on September 28-29, 2010. The minutes of the September workshop (at which 98 named persons attended) along with supporting documents are online at <a href="http://www.forestry.gov.gy/news.html">http://www.forestry.gov.gy/news.html</a>.</p> <p>The outcome of the workshop was to assist in informing the GOG on possible next steps in its interaction with EU FLEGT. At the end of the two day session, the workshop saw over 70 participants, including representatives of the National Toshaos' Council, Forest Products Association, Civil Society, International NGOs, Community Loggers Association, and other partners, sharing idea, clarifying issues and advancing the discussion and dialogue on the EU FLEGT Programme. The process is still preliminary, and Guyana has not yet entered into formal negotiations with EU FLEGT, nor has it taken a decision on this, the involvement of key stakeholders is an imperative and prerequisite in the Government making an informed decision on the next steps and arranged sessions, wherever possible, and summaries of these discussions to be submitted to the GFC.</p> <p>According to the workshop report, an initial mission was conducted over the period 10-19th March, 2010 by a team from the European Forest Institute</p>	

(EFI) and the European Union Commission, which facilitated preliminary discussions the EU team and key stakeholders in Guyana including the MSSC, NTC, international NGOs, Amerindian NGO, GFC, the private sector, EPA, donor agencies and high commissions, a number of government agencies and ministries. A field trip was also conducted to one of GFC's field stations. The workshop concluded that the next step will be to allow for a period of three months for further discussions and continued dialogue within and across stakeholder groups.

FLEGT issues are also discussed at the MSSC meetings (minutes of meetings at <http://www.lcds.gov.gy/multi-stakeholder-steering-committee.html>).

3.4 Activities shall be initiated to engage in a formal dialogue with the Extractive Industries Transparency Initiative (EITI) or an alternative mechanism agreed by the Participants to further the same aim as EITI.

Evidence:  
 Formal dialogue with EITI has occurred or an alternative mechanism furthering the same aim is agreed to.  
 Records of meetings and actions taken.

**Findings:**

As stated in the JCN, Guyana committed to 'start a formal dialogue with EITI or an alternative mechanism agreed by the Participants to further the same aim as EITI.' Government, through the Guyana Geology and Mines Commission (GGMC), entered into dialogue with the Extractive Industries Transparency Initiative (EITI) in the 4th Quarter 2009. Dr. Francisco Paris, Regional Director of Extractive Industries Transparency Initiative (EITI) Secretariat visited Guyana from May 1st to 5th 2010 where meetings were held with principal stakeholders including technical and policy representatives within Government to share information on EITI. The MSSC has also been briefed on the EITI and there is the general view that more in-depth analysis of EITI is required as it relates to Guyana so as to guide a decision. Work on this is currently being pursued by the OCC and GGMC.

The auditors were provided email evidence that the Prime Minister of Guyana had convened a meeting in September 2010 with GFC and GGMC specifically on the topic of the EITI. A 16 page working document on EITI review was provided to the auditor by the OCC. This document covers EITI criteria, EITI benefits, other countries' experience, implementing phases in Guyana, impacts, and an action plan.

**Overall Conclusions Regarding Enabling Indicator #3 – Governance**

The GOG has produced a working draft REDD+ Governance Development Plan, latest draft September 2010. This plan forms the framework for forest governance activities to be implemented. The RGDP is structured around 23 initiatives (activities) envisaged for the planning period through to December 2011. The initiatives are derived from various sources including the LCDS, the CIFOR report on Forest Law Enforcement and Governance, and the Guyana RPP; they also broadly fall within the context provided by the recommended contents for the plan noted in the JCN. The specific requirements of the RGDP laid down by the GOG are listed without context in Annex B.

Each of the initiatives is described briefly with progress to date followed by next steps; they are also summarized in tables which indicate a general timeline for implementation, source of initiative (see above) and coordinating agency. GFC and OCC lead the majority of activities with EPA, MOAA and MOF leading one each. GGMC and GLSC do not lead any activities (though it is acknowledged that these agencies are involved in the land use initiative via representation on the NREAC and LUCC).-

The RGDP was developed by a technical team coordinated by the OCC and including the GFC, GGMC, EPA and MOAA. It is publicly available and has at least been presented to the MSSC.

The strategy of the GOG regards forest governance and evinced via the RGDP is well linked to the LCDS – with repeated cross-referencing – and other national and international projects and reports.

There has been progress on the REDD+ Governance Development Plan (RGDP) as described in reports on 23 different activities implemented. However though in some cases the wording of the activities and the related requirements is exactly the same, this is not always the case. Thus the

auditors came to the conclusion that the links established between these activities and all of the 11 key related requirements in the JCN are not comprehensively consistent or clear. More attention on this aspect would occur during a subsequent verification.

**Specific Observation 6-2010** - The 23 initiatives/activities described in the REDD+ Governance Development Plan (RGDP) broadly fall within the context provided by the recommended contents for the plan noted in the JCN. However, there is no exhibit (e.g. a matrix) indicating specific linkage between the details of the JCN requirements and the RGDP initiatives.

**Specific Observation 7-2010** - Despite the extensive public consultations on LCDS and REDD+ activities, there does not appear to have been broad consultation – beyond presentation and update statements through the MSSC – on the current draft of the RGDP.

**Specific Observation 8-2010** - The various timelines associated with each initiative in the RGDP are not detailed. They do not indicate specific milestones en route to a final objective.

### ***Enabling Indicator #4: Financial Mechanism***

**Guyana REDD+ Investment Fund (GRIF) is envisioned in the JCN to be a multi-contributor financial mechanism run by an international organization. It should be designed to channel results-based REDD+ funds from Norway and other potential contributors to the implementation of Guyana’s LCDS. The evaluation of the functionality of the GRIF will be carried out by reviewing systems and procedures in existence by the time of the audit and an assessment of their adequacy in terms of financial control and safeguards. The following Verification Indicators will be used to assess the functionality of the GRIF.**

4.1 The GRIF shall be operational.

Evidence:

Evidence that the GRIF system is operational is available through documentation or interviews.

Findings:

On October 9<sup>th</sup> the GON and the World Bank International Development Association (WB IDA) signed the Administrative Agreement establishing the GRIF. The GRIF Administration Agreement outlines the standard provisions for the GRIF. Due to the timing of the Annual Progress report and the signing of the Administration Agreement, it is logical that the signing was not mentioned in the Progress Report. Overall, the absence, or delays in arrival, of funding at levels previously expected has meant that progress reports do not have much detail on the financial mechanisms. Concern about this dynamic in general cut across all stakeholders, including government agencies. In general this has meant that the information in the Progress Report about the establishment of the GRIF was limited.

The Administrative Agreement of the GRIF mentions the development of an Operational Manual and a Results Framework; both of which are under development at the time of writing. It was therefore not possible to include a verification of these documents in this report. The GRIF mechanism has not yet been fully finalized and is therefore not yet fully operational.

4.2 Development and implementation of safeguards shall be undertaken.

Evidence:

Safeguards are documented.

Safeguards are being consistently implemented.

Findings:

According the Progress Report the GOG intends to comply with the UNFCCC safeguards for funding once these has been defined. However as these

safeguards have not yet been finalized and are still to be negotiated within the Ad Hoc *Working Group on Long-term Cooperative Action* under the Convention (AWG-LCA). In the absence of an UNFCCC REDD+ mechanism and lack of a definition of specific safeguards environmental and social safeguards related to the use of funds will be based on the procedures and policies of the individual Partner Entities (Administrative Agreement). The Progress Report does not expand on this point and it is not clear how these agencies' safeguard procedures compare those currently defined by the WB or the UNFCCC.

The MOU (Section 2 c) between Norway and Guyana states that: *“The level of financial support will be based on interim arrangements to estimate and verify results in limiting greenhouse gas emissions for deforestation and degradation. Guyana’s LCDS Multi-Stakeholder Steering Committee and other arrangements to ensure systematic and transparent multi-stakeholder consultations will continue and evolve, and enable the participation of all affected and interested stakeholders at all stages of the REDD-plus/LCDS process; protect the rights of indigenous peoples; ensure environmental integrity and protect biodiversity; ensure continual improvements in forest governance; and provide transparent, accountable oversight and governance of the financial support received”.*

While the MRV system and the Interim Indicators for REDD+ Performance (LCDS Annex 3) seem developed towards evaluating conformance to the greenhouse gas reduction goals, it is not clear if safeguards will be developed to address environmental and social issues or how the current implementation of Safeguards from Partner Entities will meet the above commitment.

In this regard the LCDS states that the operator (Trustee) of the GRIF will be responsible for ensuring that safeguards and operational procedures are appropriate (pp.47), but in the Administrative Agreement of the GRIF it is stated that the Steering Committee will be responsible for establishing fiduciary, safeguard and operational standards for Partner Entities other than the WB IDA, IDB and UN members of the UN Development Group.

The LCDS also mentions that the OCC shall be responsible for development of social and environmental safeguards (pp. 57). However this work is not mentioned in the Progress Report and there seems to be conflicting information about who will be responsible for the development and implementation of Safeguards. It was confirmed from OCC that there will be changes made to the GRIF and that these changes also will be reflected in revisions of the JCN and LCDS.

The Progress Report also does not contain any reference to the RPP and activities mentioned herein related to the development of safeguards. The RPP states: *“The SESA is designed specifically to undertake a series of analytical and diagnostic studies in a participatory manner. Additionally, the findings of the SESA will provide the basis for drafting and finalizing the required World Bank safeguard policy instrument”* (RPP pp 52).

Section 1 of Appendix B of the Administrative Agreement of restates section 2 c of the MoU regarding safeguards, but it the fact that the Agreement also states that the safeguards of Partner Entities will be applied as they are, does not reflect how these intentions on safeguards will be met.

It is observed that the information in the Progress Report regarding the development and implementation of safeguards, as mentioned in the JCN is lacking and there seem to be inconsistencies in the LCDS, RPP and the Administrative Agreement documents.

4.3 Fiduciary and operational policies shall be developed and implemented by Managing Organization.

Evidence:  
 Fiduciary and operational policies of the Managing Organization (i.e. Trustee) are documented.  
 Fiduciary and operational policies are being implemented.

Findings:

The WB will act as the Trustee of the funds for the GRIF and according to the Administrative Agreement the Trustee will have no fiduciary or safeguards responsibility in respect to the use of the funds after they have been transferred to the Partner Entity. The Partner Entity will assume responsibility of funds once these are transferred from the GRIF.

The Operational Manual and Results Framework of the GRIF are still under development.

4.4 Systems and procedures for cooperation between the Ministry of Finance of Guyana and the Managing Organization shall be developed and implemented.

Evidence:  
 Procedures and systems exist (see World Bank and Norway agreement which establishes the Guyana REDD+ Investment Fund GRIF).  
 Documentation exists of the safeguards and operational policies and procedures of relevant Partner Entities as they apply to the implementation of the project.

Findings:

The GOG will be represented as Chair of Steering Committee of the GRIF as outlined in Appendix A of the Administrative Agreement. The Agreement does not specifically mention the Ministry of Finance, but since funds transferred from the Trustee will be managed via the national budget, the national accounting practices will apply as defined by the Ministry of Finance. The safeguards and operational policies and procedures, including fiduciary standards etc, of the relevant Partner Entity are to apply to any given project. The Progress Reports do not provide much detail on the related safeguards and operational policies and procedures, though in part this was likely due to the delayed signing of GRIF related agreements.

4.5 Systems and procedures for financial oversight shall be developed and implemented.

Evidence:  
 Financial oversight procedures and systems are documented.  
 Oversight procedures are implemented as designed and documented.

Findings:

The Administrative Agreement outlines the functioning of the GRIF and the financial oversight mechanisms that will be put in place in the management of the GRIF.

The Steering Committee will be chaired by the GOG and its member will be the contributors to the fund (at this point only Norway). The Steering Committee receives financial reports from the Partner Entities and the Trustee, as well as ensures independent oversight of the GRIF and the Trustee.

As no transaction has been made by the GRIF at the time of the audit there are no activities or reporting to evaluate. The Operational Manual and the Results Framework that is mentioned in the Administrative Agreement is currently under development.

**Overall Conclusions Regarding Enabling Indicator #4 - Financial Mechanism**

Since the Administrative Agreement on the establishment of the GRIF was signed on October 9<sup>th</sup>, 2010, after the publication of the draft Progress Report and a few days before the initiation of this audit, there was little information available in the Progress Report about the status of the GRIF.

The Administrative Agreement of the GRIF (Appendix A, 3 (b) i) contains specific requirements of the Partner Entities to ensure consistency with the LCDS, but no specific mention or delineation of REDD+ or related activities. As the Results Framework and the Operational Manual of the GRIF is still under development it was not possible for the verification team to evaluate the full design of the GRIF at this time. However no reporting on REDD+ investments overall (even those outside the GRIF) is provided in the Progress Reports, even though the GOG and other supporters have made numerous and significant investments. Some MSSC members pointed to availability of this information elsewhere (e.g. through review of national government budget reports). However such information is not easily available and not presenting it in the Progress Reports tends to understate important, complementary GOG investments. Enhanced transparency on such investments would enhance accountability and credibility.

**Specific Observation 9-2010** - The latest Progress Report accurately states that the GRIF Agreement is still under development and was not operational at the time of the reports. Even though the Administrative Agreement has now been signed for the GRIF, the Results Framework and the Operational Manual are still under development.

**Specific Observation 10-2010** - The information in the Progress Reports regarding the development and implementation of safeguards, as mentioned in the JCN, is limited to a statement that the GOG intends to comply with REDD funding safeguards as currently being discussed by the UNFCCC. The lack of detail regarding the content and status of safeguards, in the absence of definitive safeguard guidelines from the UNFCCC or in additional documents such as the LCDS, RPP or Administrative Agreement, creates ambiguity, and for some stakeholders' skepticism, regarding the GOG's commitments to safeguards.

### **Enabling Indicator #5: Monitor, Report and Verify (MRV)**

**The requirements under the JCN for development of a needs assessment for a national system to monitor, report and verify (MRV) emissions or removals of carbon from Guyana's forest sector will guide this verification activity. Rainforest Alliance will evaluate the activities undertaken by the Government of Guyana to develop the required needs assessment as well as how the needs assessment will be used to create a road map for development of the national MRV system. This element will be assessed according to relevant parts of the Government of Guyana's *Conceptual Framework on Process for the Multi-Stakeholder Consultations on Guyana's Low Carbon Development Strategy*. The following Verification Indicators will guide the verification of the above.**

5.1 Progress and activities to carry out a needs assessment for a national system to monitor report and verify emissions or removals of carbon from Guyana's forest sector.

Evidence:  
Reports of progress from GFC and Consultants exist.

#### Findings:

The GFC has begun preparatory work for the establishment of a Monitoring, Reporting and Verification System (MRVS). Broad based MRVS Technical and Steering Committees have been established by the GFC. The overarching responsibility of these two committees remains that of overseeing the development of the MRVS, reviewing, coordinating and consolidating the MRVS dataset, reviewing the bids that are submitted for the consultancies and providing forums for discussing MRVS related issues. Information on the development of the MRVS is available on the GFC's website. Since March 1, 2010, four meetings of the MRVS Steering Committee and six meetings of the MRVS Technical Steering Committee were held. Summaries of the outcome of these meeting are available on the GFC's website.

The needs assessment and roadmap will be used as basis for dialogue and negotiations with potential providers of support and services to the national MRV system (including capacity building, methodologies for carbon estimation, technical infrastructure, etc). Where relevant, open tender processes will be applied. Several MRV-related activities have been undertaken and completed over the past year including a Review of Progress on MRV (GFC Oct 2009 - <http://www.forestry.gov.gy/publications.html>), MRV Workshop (report for GOG by Herold and Bholanath Nov 2009 - <http://www.forestry.gov.gy/publications.html>); Assessment of Drivers (two reports by GOGC-GOLD – undated – and REDD Secretariat Oct 2009 - <http://www.forestry.gov.gy/publications.html>); Assessments of carbon storage and forest change (Cedergren report for UN-REDD 2009 - [http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=976&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=976&Itemid=53); Alder & van Kuijk 2009 - <http://www.bio-met.co.uk/pdf/gymonsys09.pdf>); TORs for developing capacities for national MRVS includes background, capacity (needs) assessment and roadmap (GFC November 2009 - [http://www.forestry.gov.gy/Downloads/Terms\\_of\\_20Reference\\_for\\_Guyana%27s\\_MRVS\\_Draft.pdf](http://www.forestry.gov.gy/Downloads/Terms_of_20Reference_for_Guyana%27s_MRVS_Draft.pdf)).

A multi-agency MRV Steering Committee has met five times – most recently in August 2010 – to discuss general and technical aspects of the MRVS;

minutes found at <http://www.forestry.gov.gy/publications.html>.

5.2 The quality and adequacy of the needs assessment is sufficient.

Evidence:  
Details of needs assessment.

**Findings:**

The needs (capacity) assessment has been completed and has been incorporated into the Terms of Reference (TORs) and was also used to inform the Road map (cited earlier) for the development of the MRVS. Starting with an assessment of current capacities, additional information on country-specific characteristics and requirements for REDD are analyzed and discussed. The capacity gap assessment was performed for both international requirements (4 variables) and national needs (through an assessment of 10 current forest change processes). The capacity analysis itself appears adequate though the capacity gaps in the assessment focus heavily on data rather than technical or financial needs.

5.3 Progress and activities to develop a road map for the national MRV-system.

Evidence:  
Reports of progress from GFC and Consultants exist.

**Findings:**

The Road Map has informed the Terms of References (TORs) for the development of the MRVS and from this, two bids have been issued through an open tender process. Two other bids are expected to be issued over the period August 2010 - March 2011; the GFC has collaborated with key partners such as FCPF, CI, ESRI, USFS/USAID, ITTO, CCI, UNDP, FAO, as well as initiated dialogue with IDB, GTZ, the Moore Foundation, UNREDD and others. The main objective of Bid 1 is to conduct a comprehensive forest area change assessment for historic period up to 2009, to conduct forest change assessment for the reporting period of October 1 2009 to September 30, 2010 and build national capacities for estimating forest-related activity data using the IPCC GPG on LULUCF. Bid 1 is being executed from August 2010-March 2011 and will have a number of outputs including mapping and assessment of change in forest area. A benchmark forest map for 2009 as well as forest area change maps for each time step, along with the period October 1 2009 to September 30, 2010, will be completed. This will provide the basis for estimating carbon emissions and removals. Work on Bids 1 & 2 has triggered the start of this process, through the generation of the Benchmark Map of 2009, the map of forest change assessment for the reporting period of October 1 2009 to September 30, 2010 (Bid 1 called Remote Sensing and GIS Specialist), and the development of systems for forest carbon emissions and removals monitoring, including long term monitoring under Bid 2 called Carbon Stock Assessment and Monitoring Consultant.

The Road Map is incorporated in the draft TORs document. The Road Map is laid out by three principal objectives, each attached to a one-year timeframe and labeled respectively as National Strategy, Country Readiness, and Implementation. Each objective is followed by a set of actions related to: outputs and national capacities developed; data gap filling; eligibility gap filling; capacity & institutional gap filling, methodological gap filling. This schematic is accompanied by the detailed TOR and a listing of timelines (i.e. review of the schematic alone does not provide a full picture; it must be reviewed in combination with the TOR and relevant timelines in order to be well understood).

The following section 5 provides an update on progress so far and technical discussions of issues. Section 6 provides a more comprehensive and useful planning framework for immediate activities based on 7 key action areas: Develop and implement a national mechanism and institutional framework; Conduct a comprehensive forest area change assessment for a historical period; Build carbon stock measurement capacities; Develop MRV for a set of REDD demonstration activities; Engage with international community; Sustained internal communication mechanism on MRV; Conduct/support research on key issues. Finally a summary table is presented including each activity, lead agency and partners.

Two key aspects of the MRVS plan are the assessment of baseline forest area and model for detecting and quantifying change (consultancy Bid 1 awarded to Poyry); and the development of a carbon stock assessment and monitoring system (consultancy Bid 2 awarded to Winrock). Both of these have been offered to international consultants through open tender process following advertisement of detailed TORs

(<http://www.forestry.gov.gy/news.html>).

The first report from Bid 1 was submitted in Oct 2010. Highlights of this work so far are: The total forested area in 1990 was estimated as 18.44 million hectares (greater than previous forest estimates as reported by FAO). Forest change of forest to non-forest excluding degradation between 1990 and 2009 is estimated at 79,000 hectares. Over the reporting period 1990 to 2009 this equates to a total deforestation rate of 0.47%. At the end of the bench mark point (September 30 2009) the area of forest is estimated at 18.36 million ha. The values do differ from previous studies as reported in Cedergren (2009) which represents about a 0.3% annual loss. Interpretation of the change areas identifies mining as the leading contributor of forest change (51% of the change), particularly between 2000 and 2005. Results for remaining measures that cover the 1yr period to Sept 2010 will be completed by the end of October 2010. How these data feedback into the LCDS and related processes can be assessed at subsequent audits.

According to a presentation made by Winrock to the MRV Steering Committee in Aug 2010, the Gain Loss Method of measuring carbon may be more suited to measuring forest degradation whereas the Stock Change Method may be better suited towards the measurement of deforestation as it measures the difference in carbon stocks between forest and post-deforestation land use. The development of the Forest Carbon Monitoring System (FCMS) would be done using a phased approach in collaboration with Bid 1. No reports are yet forthcoming on this 18-month consultancy which commenced only recently.

Annex 2 of the Annual Progress Report 2010 provides an update on each of the National Strategy (2010-2011) activities of the Road Map. These activities relate directly or indirectly to the consultancy bids (1 and 2 currently underway; 3 and 4 still in the planning stage) and as such are activities by and large in progress. Detailed assessment of these MRV activities will be possible at the 2011 audit when they are scheduled for completion.

#### **Overall Conclusions on Enabling Indicator #5: Monitoring, Reporting & Verification (MRV)**

Numerous efforts to move forward on an MRV system are evident, under GFC in leadership. Progress reporting going forward should encourage discussion of both achievements and constraints/challenges.

**Observation 11-2010** - Multiple MRV-related activities are being implemented at this time, with Guyana Forestry Commission (GFC) leadership. There is progress being made and this is reflected accurately in the latest Progress Report. The auditors observed that the capacity (needs) analysis itself seems to focus disproportionately on data requirements rather than technical or financial needs (note: GFC doesn't agree) – though acknowledging that these issues are acknowledged in the Road Map and need to be addressed. More complete verification of MRV efforts should be possible during the next annual verification.

#### ***Enabling Indicator #6: The rights of indigenous peoples and other local forest communities as regards REDD+.***

The rights of indigenous peoples and other forest-dependent communities play a significant role in the JCN and are considered to be a cornerstone in the successful and equitable implementation of the REDD+/LCDS process. This criterion will be assessed according to relevant parts of the GOG's Conceptual Framework on Process for the Multi-Stakeholder Consultations on Guyana's LCDS.

6.1 The rights of indigenous people according to the Constitution of Guyana have been respected and protected throughout the development of Guyana's REDD+ and LCDS policies.

Evidence:

Interviews with indigenous people indicate that their rights are being respected and protected during the development of the REDD+ and LCDS policies.

Written records positively reinforce the respect and protection of indigenous peoples' rights.

Findings:

Progress Reports provide generally accurate and good quality information on interactions with indigenous people and how their rights are being respected and protected throughout the process. GFC, MOAA and OCC take extensive measures to interact with indigenous groups and clearly indicated to RA auditors their commitment to respecting rights. All written records related to REDD+ and LCDS support indigenous rights. However, full information on the actions taken to ensure these rights are not always well documented (metrics are there at times but not consistently) in the Progress Reports or other communication vehicles. A number of stakeholders take issue with the real commitments of the government on indigenous rights, irrespective of the reports and other actions. In terms of the ease of information dissemination for interested parties, a common response from the GOG is to guide auditors or stakeholders to the LCDS website or the NTC in order to understand the full dynamics or activities that are taking place to ensure respect and protection of rights, etc. Though the website is an extremely useful tool, and the NTC certainly is a critical organization for many Amerindian communities, it is not clear how effective the website, versus the Progress Reports or other communications tools at the GOG's disposal, is for ensuring the public (including indigenous people) understands the actions being taken and that the reliance on NTC ensures adequate coverage for all affected communities. Also, though the GOG and other organizations believe the REDD+ and LCDS process will support and not compromise resolution of land tenure issues for Amerindian communities, in general this was not as clear to some stakeholders.

6.2 A mechanism enabling the effective participation of indigenous peoples and other forest dependent communities in the planning and implementation of the REDD+ strategy and activities shall be in place and implemented.

Evidence:  
 Mechanisms for effective participation of indigenous peoples and other forest dependent communities are documented.  
 Documented mechanisms, and other relevant initiatives, are implemented.

**Findings:**

The Progress Reports provide information on the MSSC plus other interactions with indigenous and other forest dependent communities. As per elsewhere in this report, there are limitations and constraints currently being faced due to delays in international financing. The constraints or challenges are not discussed in the latest Progress Report, which undermines its transparency and credibility.

As discussed above, an "Opt In" process has been developed for interacting with Amerindian communities. Fine tuning and much more discussion with communities is ongoing. There was a generally favorable response to the opt-in approach by the majority of stakeholders or interested parties that the verification team could interact with during this brief review. However, there was also concern indicated that Amerindian communities which "opt out" will not be given support for resolving land tenure issues, i.e. that resolution of Amerindian land tenure issues for certain communities across Guyana might be "held hostage" to whether or not they "opt in". Given the time limitations of our verification activity, the early stage of Opt In implementation, and the lack of detail on progress or these issues in the Progress Reports or other documentation, more definitive statements on the state of, or sufficiency of, the opt in process by RA auditors is not yet possible.

**Overall Conclusions Regarding Enabling Indicator #6: The rights of indigenous peoples and other local forest communities as regards REDD+**

The GOG have placed strong emphasis on the rights of Amerindian communities in the process, involving multiple agencies (MOIA), NTC and numerous Amerindian interests. GFC has also been proactive in interacting with other local forest communities. A critical element is the Opt In process, which is referred to but not fully reported. It will be important how the GOG deals with the issues related to the Opt In process over the next year, both for communities that are or are not directly involved with the REDD+ initiative. Future Progress Reports should report on the constraints or challenges faced on indigenous rights-related efforts, e.g. financing delays or land tenure resolution for all communities regardless of whether communities "opt-in" to involvement or not.

**Specific Observation 12-2010** The Progress Reports do not consistently or comprehensively report on the constraints, limitations, challenges faced by the GOG and other collaborating organizations with regards to actions related to the rights of indigenous peoples and other local forest communities.

This creates an atmosphere of uncertainty and a perceived lack of transparency, which is in contradiction to the oftentimes deep and broad understanding of such dynamics on the part of GOG staff (e.g. OCC, GFC, MOAA) and collaborating organizations and individuals.

**Specific Observation 13-2010** Though there were intense stakeholder interactions during 2009, and the IIED report reflected the generally positive process involved, there has been a noticeable drop-off in activity since then, and Progress Reports do not clarify either ongoing or future planning actions in sufficient detail, or the constraints faced which are responsible for this drop-off (absence of resources, slow pace of funding negotiations, etc.).

## 5 PARTIAL LIST OF DOCUMENTS REVIEWED<sup>4</sup>

Government of Guyana, 9 Oct. 2010: Press Release: "Guyana REDD+ Investment Fund (GRIF) Established".

Government of Norway, Oct. 2010: Administration Agreement (Guyana REDD-Plus Investment Fund) between Royal Norwegian Ministry of Foreign Affairs and International Development Association.

Guyana Forestry Commission, Apr. 2010: Guyana Readiness Preparation Proposal. World Bank Forest Carbon Partnership Facility (FCPF).

IIED, Oct. 2009: Independent Review of the Stakeholder Consultation Process for Guyana's Low Carbon Development Strategy (LCDS). Report from the Independent Monitoring Team Jocelyn Dow, Vanda Radzik, Duncan Macqueen International Institute for Environment & Development.

IWG-IFR, Oct. 2009: Report of the Informal Working Group on Interim Finance For REDD+.

Office of Climate Change (OCC), Office of the President Republic of Guyana (OPRG), May 2010: Transforming Guyana's Economy While Combating Climate Change: A Low Carbon Development Strategy.

OCC, Sept. 2010: Conceptual Framework on Process for the Multi-Stakeholder Consultations on Guyana's Low Carbon Development Strategy (LCDS).

OCC, Sept 2010: LCDS Response Master Matrix.

OCC, Sep. 2010: Guyana's REDD+ Governance Development Plan DRAFT.

OCC, Oct. 2010: Annual Progress Report 2010. Office of the President Republic of Guyana.

Singh, Ashni, Jul. 2010: Ministerial Statement on the Establishment of the Guyana REDD+ Investment Fund (GRIF).

UNFCCC, Feb. 2010: Ad hoc working group on long-term cooperative action under the convention report of the ad hoc working group on long-term cooperative action under the convention on its eighth session, held in Copenhagen from 7 to 15 December 2009.

---

<sup>4</sup> Providing a full list of all documents reviewed during the verification activity would take many pages, as can be seen through review of information on the LCDS website. The list also does not include written submissions by stakeholders. The documents listed here are the key documents used as a basis for the verification, but should be regarded as only a small sample of the documents reviewed.