

**Memorandum of Understanding between the Government of the Cooperative Republic of Guyana and the Government of the Kingdom of Norway regarding Cooperation on Issues related to the Fight against Climate Change, the Protection of Biodiversity and the Enhancement of Sustainable Development**

The Government of the Cooperative Republic of Guyana (Guyana) and the Government of the Kingdom of Norway (Norway), (hereinafter referred to as the "Participants"):

*bearing in mind* that climate change is among the greatest challenges facing the world today;

*recognizing* that cooperation on climate change issues can be instrumental in reducing greenhouse gas emissions globally and has a positive impact on the socio-economic development of developing countries and their communities;

*recalling* that Guyana and Norway are Parties to the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Convention on Biological Diversity; and are signatories to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);

*considering* that the Preamble to the UNFCCC acknowledges that the global nature of climate change calls for the widest possible cooperation between all countries, and their participation in an effective and appropriate international response in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions, and that commitments in this regard are specified in Article 4 of the UNFCCC;

*recognizing* the relevance of Guyana's National Development Strategy (NDS) and National Competitiveness Strategy (NCS) as the overall policy framework for Guyana's development plans, and Guyana's Low Carbon Development Strategy (LCDS) as an integral part of this overall policy framework;

*noting* that the LCDS includes a strong commitment to reducing emissions from deforestation and forest degradation, including conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD-plus<sup>1</sup>) and the significant contribution that this can make to the global effort to mitigate climate change;

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<sup>1</sup> As defined in the Bali Action Plan (2/CP.13).

*expressing* a willingness to work together to provide the world with a relevant, replicable model for how REDD-plus can align the development objectives of forest countries with the world's need to combat climate change;

*declaring* that financial support from Norway for results achieved by Guyana in reducing emissions from deforestation and forest degradation will be used in full to support activities and investments within the framework of Guyana's LCDS;

*declaring* that nothing in this Memorandum of Understanding (MoU) will be considered to prejudge the Participants' views on the mechanism through which developing countries should be paid for REDD-plus under a future UNFCCC REDD-plus arrangement. When such an arrangement is defined under the UNFCCC, it will define reference levels – or the methodology to set these – and the amount of results-based financial support for which developing forest countries will be eligible will be derived from the reference levels. Norwegian financial support and Guyana's obligations will be reassessed accordingly;

*expressing* the political will to develop a lasting process of cooperation on matters relating to global climate change, including REDD-plus, the protection of biodiversity and the rights and livelihoods of indigenous peoples and local forest communities;

have reached the following understanding:

### ***OBJECTIVE***

1. The objective of this 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 regarding Guyana's REDD-plus efforts, including the establishment of a framework for result-based Norwegian financial support to Guyana's REDD-plus efforts.

### ***PILLARS OF COOPERATION***

2. To further the objective laid out in paragraph 1 of this MoU, the Participants decide to enter into broad cooperation based on three main pillars:
  - a) *A regular, systematic policy and political dialogue to facilitate a constructive exchange of views on global climate change and relevant environmental issues such*

*as biodiversity.* The overarching goal of this cooperation will be to contribute to the establishment of a new, global climate change regime and the further improvement of this regime over time. In particular, the Participants intend to contribute to the creation of a robust mechanism for the inclusion of REDD-plus in a global climate regime. The Participants agree that Norway's submission to the UNFCCC on REDD-plus and the work of the Informal Working Group on Interim Financing for REDD+ provide an appropriate starting point for such efforts.

- b) *Collaboration, knowledge building, and sharing of lessons learned within the field of sustainable, low-carbon development, with REDD-plus as the key component of this.* Sustainable, low-carbon development is essential if global warming is to not increase by more than 2<sup>0</sup>C above pre-industrial levels. Given the significant contribution of emissions from deforestation and forest degradation to climate change, and the real risk of increased pressure on forests in currently low-deforesting countries as rates in currently high-deforesting countries are decreased, the Participants consider it crucial that all tropical forest countries, both high- and low-deforesting countries, are given incentives to reduce and avoid emissions from deforestation and forest degradation.
- c) *Collaboration on REDD-plus, including establishing a framework for financial support from Norway into a Guyana REDD-plus Investment Fund.* Financial support will be linked to Guyana's success in limiting greenhouse gas emissions from deforestation and forest degradation and establishing institutions and practices to strengthen Guyana's ability to reduce deforestation and forest degradation through the adoption and implementation of a REDD-plus governance development plan (RGDP). As a UNFCCC compliance grade capability for monitoring, reporting and verifying (MRV) emissions is established in Guyana, these results will be measured objectively in accordance with the rules and policies of the UNFCCC. Until these rules and policies are in place, attainment of initial REDD standards will enable financial support. The level of financial support will be based on interim arrangements to estimate and verify results in limiting greenhouse gas emissions from 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.

### ***FINANCIAL MECHANISM***

3. It is the Participants' intention to establish a Guyana REDD-plus Investment Fund (GRIF). The GRIF will be a multi-contributor financial mechanism run by a reputable international organization. It will be designed to channel results-based REDD-plus funds from Norway and other potential contributors to the implementation of Guyana's LCDS. Safeguards as well as fiduciary and operational policies of the organization selected will apply as appropriate to all activities to be financed by GRIF. The mechanism will also ensure full national and international oversight of financial flows. The Participants will encourage other developed countries to contribute to the Fund as part of their efforts to combat climate change. The GRIF could over time evolve to cover all types of climate change mitigation and adaptation funding, including if appropriate funding received under the UNFCCC.

### ***AN EVOLVING PARTNERSHIP***

4. The details of this partnership are further described in a *Joint Concept Note on REDD-plus cooperation between Guyana and Norway* developed by the Participants. This note constitutes the basis for the work of the Participants. While Guyana and Norway consider that this Joint Concept Note clearly lays out their agreed positions as of November 2009, they are also aware that REDD-plus is a new concept, and that this partnership is in the forefront of developments, and are prepared to revise and further develop its content to reflect increased insights as the Partnership, and other related international efforts, move forward and lessons are learned.

### ***FOCAL POINTS***

5. To contribute to efficient cooperation, each of the Participants will designate a Focal Point to facilitate the implementation of paragraph 2 of this MoU in their respective countries through means to be decided.

6. The Focal Points may prepare and facilitate the policy and political dialogue described under paragraph 2a) of this Memorandum of Understanding, whenever necessary exchanging information relevant to its implementation. In particular, they may also hold and/or facilitate meetings in preparation for sessions of the UNFCCC as well as in the margins of meetings in that body or of the sessions of its subsidiary bodies.

Done in Fairview Village, Guyana, on 9 November 2009, in duplicate and in English, both texts being equally authentic.

On behalf of the

Government of the Cooperative Republic  
of Guyana

On behalf of the

Government of the Kingdom of Norway

## Joint Concept Note on REDD+ cooperation between Guyana and Norway

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### Section 1: Background

On November 9<sup>th</sup>, 2009, Guyana and Norway signed a Memorandum of Understanding (MoU) regarding cooperation on issues related to the fight against climate change, in particular those concerning reducing emissions from deforestation and forest degradation in developing countries (REDD-plus<sup>2</sup>), the protection of biodiversity, and enhancement of sustainable, low carbon development. This Joint Concept Note constitutes the framework for taking this cooperation forward. Specifically, this concept note addresses Paragraphs 2 (c), 3 and 4 of the MoU signed between Guyana and Norway, to enable the acceleration of Guyana's REDD-plus efforts, based on the results of which Norway will start providing financial support. Being aware that REDD-plus is a new concept, and that this partnership is in the forefront of developments, Guyana and Norway – while considering that this Joint Concept Note clearly lays out their agreed positions as of November 2009 – will also be open to revising and further developing its content to reflect increased insights as the Partnership, and other related efforts, moves forward and lessons are learned.

The Norwegian financial support will be channeled through a multi-contributor financial mechanism (the Guyana REDD-plus Investment Fund, GRIF) which will be run by a reputable international organisation. The support will finance two sets of activities:

- The implementation of Guyana's Low Carbon Development Strategy (LCDS)
- Guyana's efforts in building capacity to improve overall REDD+ and LCDS efforts. This is described in Section 4.

The level of support will depend on Guyana's delivery of results as measured against two sets of indicators:

- *Indicators of enabling activities*: A set of policies and safeguards to ensure that REDD-plus contributes to the achievement of the goals set out in Paragraph 2(c) of the MoU signed between Guyana and Norway on November 9<sup>th</sup>, 2009, namely “that Guyana's LCDS Multi-Stakeholder Steering Committee and other arrangements to

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<sup>2</sup> As defined in the Bali Action Plan (2/CP.13).

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. The enablers are described in more detail in Section 2 below.

- **REDD-plus Performance Indicators:** A set of forest-based greenhouse gas emissions-related indicators, as described in more detail in section 3 below. These indicators will gradually be substituted as a system for monitoring, reporting and verifying emissions from deforestation and forest degradation (MRV) in Guyana is established. A timeframe for when and how this will happen will be established in 2010.

The contents of this concept note, including both sets of indicators above, will be updated to include annual progress in developing the MRV system and in strengthening the quality of REDD-plus-related forest governance according to Guyana's REDD-plus governance development plan, as well as to reflect developments in negotiations under the UNFCCC. The Government of Guyana is responsible for providing the necessary data for assessing performance against the given indicators.

## **Section 2: Indicators of Enabling Activities**

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The Governments of Guyana and Norway have decided that the commencement and annual continuity of result-based financial support from Norway will depend on agreed progress regarding the following seven factors:

- **Strategic framework**

All aspects of Guyana's planned efforts to reduce deforestation and forest degradation, including forest conservation, sustainable management of forests and enhancement of forest carbon stocks ("REDD-plus"), are being developed in a consistent manner, through an internationally recognized framework for developing a REDD-plus programme, and will continue to evolve over time. Currently, the UN REDD Programme and the Forest Carbon Partnership Facility (FCPF), managed by the World Bank, are two examples of this; the latter constitutes the framework under which Guyana is developing its REDD-plus efforts.

Furthermore, all REDD-plus efforts will at all stages be fully integrated in Guyana's Low Carbon Development Strategy (LCDS). The contributions to Guyana's REDD-plus/LCDS from Norway and other contributors, including the FCPF, will be administered in a transparent manner. Information concerning all expenditures, both planned and implemented, will be publicly available.

- **Continuous multi-stakeholder consultation process:**

The LCDS, including the REDD-plus strategy and prioritized LCDS funding needs, will continue to be subject to an institutionalized, systematic and transparent process of multi-stakeholder consultation, enabling the participation of all potentially affected and interested stakeholders at all stages of the REDD-plus/LCDS process. This process will continue to evolve over time. Particular attention will be given to the full and effective participation of indigenous peoples and other forest-dependent communities. Guyana's policy is to enable indigenous communities to choose whether and how to opt in to the REDD-plus/LCDS process only when communities wish to do so, in accordance with Guyana's policy of respecting the free, prior and informed consent of these communities. The consultation process will continue to be observed and reported on by an expert team appointed jointly by Guyana and Norway. This team will provide advice to all stakeholders and report on the quality, implementation and adequacy of processes and institutional arrangements to suit the relevant stage of the consultation process, e.g. through regular meetings of a representative multi-stakeholder steering committee.

- **Governance:**

The independent assessments of current forest governance and logging practices in Guyana, as performed by the Center for International Forestry Research (CIFOR) and the Food and Agriculture Organization of the United Nations (FAO), in addition to relevant legislation, policies and processes in Guyana, should form the basis for the continued development of a transparent, rules-based, inclusive forest governance, accountability and enforcement system. The development and implementation of this governance model will be integrated with the LCDS. Where appropriate, experiences from REDD-plus-relevant initiatives and projects nationally and internationally should be applied.



An outline of Guyana's REDD-plus governance development plan will be prepared by the end of 2009. A more detailed plan will be developed by October 2010, with clear requirements and timelines for its implementation. The development plan will be subject to review by an independent institution, jointly designated by the two Participants, and should include the points set out in Table 1. These points will be further developed over time, and the two Participants will adjust the Indicators of Enabling Activities annually for the subsequent year, based on the detailed REDD-plus governance development plan (RGDP).

- **Financial mechanism:**

The Guyana REDD-plus Investment Fund (GRIF) will be a multi-donor financial mechanism managed by a reputable international organization. The organization will be jointly selected by the Participants. The GRIF must be operational before any contributions can be disbursed from Norway.

The GRIF will channel REDD-plus financial support from Norway and other potential donors to the implementation of Guyana's LCDS. Safeguards – including social, economic and environmental safeguards – as well as the fiduciary and operational policies of the organization selected, will apply, as appropriate, to all activities to be financed by the GRIF.

The Ministry of Finance of Guyana will be responsible for the execution of the GRIF's operations, with the selected international organization acting as manager. The manager will be responsible for ensuring full oversight of the GRIF's operations, including fiduciary obligation as trustee, and providing technical support as agreed with Guyana. One additional element which might have to be added to these safeguards is for the fund manager to ensure where appropriate that environmental impact assessments of LCDS initiatives under consideration for funding include estimates of greenhouse gas emissions impact.

Guyana and Norway believe that the fund administrator will need to apply innovative and modern capabilities to ensuring that safeguard compliance is done in an efficient and expeditious manner – a mechanism for pre-screening of thematic areas should contribute to this. The capability to enable this will be one of the criteria by which Guyana and Norway will determine who is to be the administrator of GRIF. GRIF could, if appropriate under a future UNFCCC climate change regime, over time evolve into a comprehensive climate change mitigation and adaptation fund.

- **MRV:**

A needs assessment for a national system to monitor, report and verify (MRV) emissions or removals of carbon from Guyana's forest sector shall be developed. The MRV-system must provide the basis for reporting in accordance with the principles and procedures of estimation and reporting of carbon emissions and removals at the national level as specified by the IPCC Good Practice Guidelines and Guidance for reporting on the international level, as well as meeting the particular data needs of the national RGDP.

A road map for the national MRV-system will be developed. The plan will describe the process towards establishing the system, including timelines, milestones and cost estimates.

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.

Establishing a status quo/baseline database on the Guyanese forest sector, including assessments of historical and current deforestation rates at the latest by October 2010, will be a first priority.

- **The rights of indigenous peoples and other local forest communities as regards REDD-plus**

The Constitution of Guyana guarantees the rights of indigenous peoples and other Guyanese to participation, engagement and decisionmaking in all matters affecting their well-being. These rights will be respected and protected throughout Guyana's REDD-plus and LCDS efforts, and there shall be a mechanism to enable the effective participation of indigenous peoples and other local forest communities in planning and implementation of REDD-Plus strategy and activities.

- **Annual assessment and verification:**

Annual independent overall assessments will be conducted by one or more neutral expert organizations, to be appointed jointly by the Participants in consultation with the international financial institution managing the GRIF, on whether or not the REDD-plus enablers have been met; and what results Guyana has delivered according to the established indicators for

REDD-plus performance. A neutral expert organization will also provide an annual status report for the Governments of Norway and Guyana. In this status report, the organization will outline its independent assessment of all Participants in the REDD+ process, and make recommendations for process and capability improvements. This will include an assessment of whoever is selected as the administrator of GRIF.

### **Section 3: REDD-plus performance Indicators**

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In the absence of an operational MRV-system for emissions or removals of carbon from Guyana's forest sector, a set of basic interim indicators will be used to assess Guyana's performance, see table 2. As a more sophisticated forest carbon accounting-system is implemented, these basic indicators will be gradually phased out. The set of interim performance indicators is based on the following assumptions:

- They provide justification and prioritization for near-term implementation of REDD-plus efforts.
- They are based on conservative estimates while encouraging the development of a more accurate MRV system over time through building national capacities.
- They will contribute towards the development of a national MRV-system, based on internationally accepted methodologies and following the IPCC reporting principles of completeness, consistency, transparency, uncertainty, comparability, and encourage independent international review of results.

Until a UNFCCC methodology is established, the maximum sum of results-based financial support from Norway (and others) to the GRIF will be determined utilizing five elements:

- Subtracting Guyana's observed deforestation rate from an agreed interim reference level of 0.45 %.<sup>3</sup> ;

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<sup>3</sup> The Conference of the Parties of the UNFCCC will set the reference levels – or the methodologies for calculating these - for a global REDD-plus arrangement. When that work is completed, Guyana's reference level will be adjusted accordingly. To set Guyana's interim reference level as a basis for Norwegian 2010 contributions to the GRIF, a methodology has been used giving equal weight to national (estimated to 0,3%\* for Guyana) and collective tropical forest countries deforestation rates (estimated to 0,6%\*\*). Such an approach would both ensure global additionality and incentives to all significant categories of forest countries if applied overall to a global REDD-plus arrangement.

\* Guyanas RPP indicates a current deforestation rate of 0.1 – 0.3%. A report by the UN REDD programme (Cedergren 2009) indicates that the figure may be 0.4% based on data on historical forest area in Guyana, but

- Calculating the carbon emission reductions achieved through reduced deforestation (as compared to the agreed reference level) by applying an interim and conservatively set estimate of carbon loss of 100tC/ha. This value will be replaced once a functional MRV system is in place. The interim carbon loss figure corresponds to 367tCO<sub>2</sub>/ha;
- Subtracting from that number changes in emissions – on a ton-by-ton basis – from forest degradation as measured against agreed indicators, as specified in Table 2 below. In calculating the carbon effects of forest degradation, an interim and conservatively set carbon density of 400 tC/ha<sup>4</sup> will be applied. Upon agreement under the UNFCCC on how to estimate and account for emissions from degradation, this approach will be adjusted accordingly;
- Applying an interim carbon price of US\$5/ton CO<sub>2</sub>, as established in Brazil’s Amazon Fund.

The maximum level of support for results achieved in 2009 will be calculated based on historical data as estimated by FAO and for indicators of enabling activities for 2009. Subsequent annual assessments will cover the period from 1 October until 30 September in the two years preceeding the relevant budget year, unless otherwise agreed by the Participants.

For the sake of illustration, the maximum level of financial support based on results achieved in 2009 could be calculated as follows:

1. If Guyana’s deforestation rate in 2009 is assessed to be 0.3% (of a forest area of 15 million hectares, which would be the case if indigenous groups opt in to REDD-plus and the Guyana-Norway partnership – if they do not the forest area will be lower), this

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also underlines that this figure needs to be investigated further. Cedergren also makes reference to an EarthTrend study indicating 0.3% forest loss between 1990 and 2001.

\*\* Annual percentage cover change in all tropical developing countries with positive deforestation (based on FAO FRA 2005 data on forest area and annual forest cover change 2000 – 2005).

<sup>4</sup> The figure 400 tC/ha is based on a study by Ter Seege 2001, as referred in Cedergren, 2009. Ter Seege found a typical Guyanese forest to have an average carbon stock of 351 tC/ha. To apply conservativeness we use 400 tC/ha.

is 0.15% below the reference level of 0.45%, so corresponds to 22,500 hectares of avoided deforestation;

2. Using the interim carbon stock value of 367 tCO<sub>2</sub> per hectare, this represents 8,257,500 t CO<sub>2</sub>;
3. At an interim carbon price of US\$5/t CO<sub>2</sub>, this would translate to a maximum level of financial support of US\$41,287,500.
4. Each ton of estimated increase of emissions from forest degradation– as based on the methodology described above – would lead to a decrease in level of maximum financial support of US\$5.

All the above described variables will be revisited by the Participants based on improved data on deforestation rates, improved MRV capabilities, and developments under the UNFCCC and other possible international cooperation arrangements.

Norwegian support to GRIF – alone or in combination with other contributors – will not exceed the sum calculated on the basis of the above described methodology (neither in 2010 nor in future years). It is a goal of the Participants to get other Participants to join the partnership in order to make it sustainable in the long term, as it is unlikely that Norwegian support will ever equal this sum. This will enable Norwegian contributions to vary directly with performance, i.e. a reduction in estimated emissions will lead to relatively higher contributions, increases to relatively lower contributions.

The question of self-financing is most appropriately addressed under the UNFCCC. This MoU will be adjusted as appropriate for the conclusions there reached.

The question of payment for forest-based eco-system services (other than carbon) may be addressed through future international or other mechanisms. This MOU will be adjusted as appropriate for any conclusions there reached.

The Participants agree that the financial support seeks to provide incentives to avoid future deforestation, and the interim reference level has been established accordingly. While financial support will continue to be based on this reference level, the Participants agree that Norwegian financial support from 2011 onwards is also dependent on no national-level

increase in deforestation, compared to an agreed level that should be close to historical levels. Such a level can only be set when more robust data is available concerning current and historic deforestation. This level will therefore be set through a mutually agreed process by no later than October 2010.

#### **Section 4: Accelerating REDD+ Efforts in 2009 and 2010:**

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Norway's financial support to Guyana will be result-based, as set out in Sections 2 and 3. During the first years of cooperation, a portion of this support will finance specific REDD-plus capacity building activities (what the IWG-IFR refers to as "policy and participation enablers" as set out in the LCDS and FCPF documents (including Guyana's R-PP). The activities to be covered in 2009 and 2010 include:

- MRV system;
- Project Management Office and Office of Climate Change (operational costs);
- Multi-stakeholder consultation process;
- Annual verification by neutral experts that the REDD-plus enabling activities have been completed as appropriate;
- Annual verification by neutral expert(s) of the maximum amount due to Guyana according to the indicators for REDD-plus performance; and
- The establishment of a system for Independent Forest Monitoring (IFM).

The contributions to capacity building will decrease over time, resulting in a gradually larger emphasis on financing implementation of activities under the LCDS. The funding of some of the above activities could be done in partnership with donors and other international partners and the Government of Guyana. To ensure consistency and avoid overlap, Guyana will transparently communicate how each element of the LCDS is being supported by various contributors.

- The Participants agree that the following steps – in addition to other elements – would constitute positive contributions to Guyana's forest governance, and should thus be in place before financial support commences:

- first formal steps taken by Guyana to establish independent forest monitoring by a credible, independent entity;
- evidence of Guyana entering a formal dialogue with the European Union with the intent of joining its Forest Law Enforcement, Governance and Trade (FLEGT) processes towards a Voluntary Partnership Agreement (VPA);
- evidence of the Government of Guyana's decision to enter 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; and
- an initial draft REDD-plus governance development plan, which includes the issues listed below.

## Table 1: Contents of REDD+ Governance Plan

The REDD-plus governance development plan should include the following points:

- Transparency and accountability are key to success in any REDD-plus effort. REDD-plus-relevant decisions and data should be publicly available. Guyana recognizes the need to demonstrate international standards, and therefore aims to implement IFM. Data generated through IFM and EITI could also serve as input and/or verifiers to the forest carbon accounting system. Guyana has also decided to enter into a dialogue with the European Union with the purpose of entering the FLEGT program; through a Voluntary Partnership Agreement;
- The development of a system for reporting on the multiple benefits of REDD-plus, including on measures to protect biological diversity, improved livelihoods, good governance, and how the Constitutional protection of the rights of indigenous peoples and local communities are facilitated within the framework of Guyana's REDD-plus efforts.
- The development of a national<sup>5</sup>, inter-sectoral, land use planning system in order to avoid national leakage, with REDD-plus as the overarching goal and with specific emphasis on managing the impacts of infrastructure development and agricultural expansion on forests;
- The development of valuation systems for determining the costs and benefits of different alternatives and courses of action on the forest resource, related to environmental benefits and new alternative uses of forests, and also more classical uses and standing timber values, considering simplifying timber charges and making them more consistent with actual resource values;
- A strengthened forest monitoring and control system, focusing on all significant drivers of deforestation and degradation, including logging, mining and agriculture activities on forest lands. Monitoring and control activities must be intensified in areas

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<sup>5</sup> Although the land use planning system will be developed on a national level, that does not imply opt-in of indigenous lands until their free, prior, and informed consent has been gathered.



identified as or assumed to be of high risk of deforestation and forest degradation, for example in border areas or adjacent to infra-structure developments;

- Establishment of criteria for identifying priority areas for biodiversity within Guyana's forests, to inform the overall land use planning system and especially the REDD-plus component of the LCDS. Policies should be put in place for concession holders in the different REDD-plus-relevant areas, such as logging, mining and agriculture, to adopt best practice, including with regards to protecting biodiversity. Indicators to monitor progress should be put in place, e.g., increases in areas with certified REDD-plus-relevant concessions; and over time company compliance with EITI or equivalent commitments if appropriate. Identified forest biodiversity priority areas should also be targeted for expanded conservation/protection efforts;
- The development of a multi-year plan to continue the process of titling, demarcation, and extension of Amerindian lands when requested to do so by Amerindian communities, with the aim of completing the process for outstanding requests. Guyana has expressed the urgency of accelerating this process, and sees REDD-plus as an opportunity to achieve this;
- The development of the mechanisms by which distribution of REDD-plus funds will occur, as set out in the LCDS. The distribution system will be publicly available and will be reported on annually. The system will recognize the stewardship role of indigenous peoples protecting forest on their traditional lands.
- An overview of all funding directed to activities relevant to REDD-plus/LCDS efforts in Guyana shall be made public and be updated on the LCDS website, in order to ensure maximum effectiveness of the funds and to provide transparency concerning contributors to Guyana's REDD-plus/LCDS efforts; and
- The mandating and where appropriate establishment of operational institutions tasked with and given authority to implement and coordinate strategic activities of the LCDS as well as Guyana's REDD-plus plans as part of the LCDS, as prioritized by Guyana through its multi-stakeholder consultation process. These institutions will also coordinate national and international actors involved in efforts relevant to REDD-plus

and be responsible for identifying human resources needs in the various entities involved in the REDD-plus governance process.

- The continuation of the institutionalized, transparent, multistakeholder processes to ensure that grievances can be addressed as an intrinsic part of Guyana's ongoing REDD-plus efforts.

**Table 2: Interim Indicators for REDD+ performance in Guyana**

Source of emissions or removals	Justification	Interim performance indicator	Monitoring and estimation	IPCC LULUCF reporting
Deforestation indicator:				
Gross deforestation	Emissions from the loss of forests are among the largest per unit emissions from terrestrial carbon loss.	<p>Rate of conversion of forest area as compared to agreed reference level.</p> <p>Forest area as defined by Guyana in accordance with the Marrakech accords.</p> <p>Conversion of natural forests to tree plantations shall count as deforestation with full carbon loss.</p> <p>Forest area converted to new infrastructure, including logging roads, shall count as deforestation with full carbon loss.</p>	<p>Forest cover on 3 February 2009 will be used as baseline for monitoring gross deforestation.</p> <p>Reporting to be based on medium resolution satellite imagery and in-situ observations where necessary.</p> <p>Monitoring shall detect and report on expansion of human infrastructure (eg. new roads, settlements, pipelines, mining/agriculture activities etc.)</p>	Activity data on change in forest land
Degradation indicators:				
Loss of intact forest landscapes <sup>6</sup>	Degradation of intact forest	The total area of intact forest	Using similar methods as for	Changes in carbon

<sup>6</sup> **Intact Forest Landscape (IFL)** is defined as a territory within today's global extent of forest cover which contains forest and non-forest ecosystems minimally influenced by human economic activity, with an area of at least 500 km<sup>2</sup> (50,000 ha) and a minimal width of 10 km (measured as the diameter of a circle that is entirely inscribed within the boundaries of the territory)." (See [www.intactforests.org](http://www.intactforests.org))

	<p>through human activities will produce a net loss of carbon and is often the pre-cursor to further processes causing long-term decreases in carbon stocks.</p> <p>Furthermore, preserving intact forests will contribute to the protection of biodiversity.</p>	<p>landscapes within the country should remain constant. Any loss of intact forest landscapes area shall be accounted as deforestation with full carbon loss.</p>	<p>forest area change estimation.</p>	<p>stocks in forests remaining as forests</p>
<p>Forest management (i.e. selective logging) activities in natural or semi-natural forests</p>	<p>Forest management should work towards sustainable management of forest with net zero emissions or positive carbon balance in the long-term.</p>	<p>All areas under forest management should be rigorously monitored and activities documented (i.e. concession activities, harvest estimates, timber imports/exports).</p> <p>Increases in total extracted volume (as compared to mean volume 2003 – 2008) will be accounted as increased forest carbon emissions<sup>7</sup> unless otherwise can be documented</p>	<p>Data on extracted volumes is collected by the Forestry Commission. Independent forest monitoring will contribute to verify the figures.</p>	<p>Changes in carbon stocks in forests remaining as forests</p>

<sup>7</sup> The participants agree on the need to create incentives for net-zero or carbon positive forest management practices in Guyana. This will require a sophisticated MRV system to assess the carbon effects of forestry activities. This will be an objective of the MRV system under development. In the interim period, focus will be on incentives for avoiding increased emissions from forest management activities.

		using the gain-loss or stock difference methods as described by the IPCC for forests remaining as forests. In addition to the harvested volume, a default expansion factor (to be established) shall be used to take account of carbon loss caused by collateral damage, etc, unless it is documented that this has already been reflected in the recorded extracted volume.		
Carbon loss as indirect effect of new infrastructure.	The establishment of new infrastructure in forest areas often contributes to forest carbon loss outside the areas directly affected by constructions.	Unless a larger or smaller area or greenhouse gas emission impact can be documented through remote sensing or field observations, the area within a distance extending 500 meters from the new infrastructure (incl. mining sites, roads, pipelines, reservoirs) shall be accounted with a 50% annual carbon loss through forest	Medium resolution satellite to be used for detecting human infrastructure (i.e. small scale mining) and targeted sampling of high-resolution satellite for selected sites.	Changes in carbon stocks in forests remaining as forests

		degradation.		
Emissions resulting from subsistence forestry, land use and shifting cultivation lands (i.e. slash and burn agriculture).	Emissions resulting from communities to meet their local needs may increase as result of <i>inter alia</i> shorter fallow cycle or area expansion.	Not considered relevant in the interim period before a proper MRV-system is in place.		Changes in carbon stocks in forests remaining as forests
Emissions resulting from illegal logging activities	Illegal logging results in unsustainable use of forest resources while undermining national and international climate change mitigation policies	Areas and processes of illegal logging should be monitored and documented as far as practicable.	In the absence of hard data on volumes of illegally harvested wood, a default factor of 15% (as compared to the legally harvested volume) will be used. This factor can be adjusted up- and downwards pending documentation on illegally harvested volumes, <i>inter alia</i> from Independent Forest Monitoring.  Medium resolution satellite to be used for detecting human infrastructure and targeted sampling of high-resolution satellite for selected sites.	Changes in carbon stocks in forests remaining as forests
Emissions resulting from anthropogenically caused forest fires	Forest fires result in direct emissions of several greenhouse gases	Area of forest burnt each year should decrease compared to current amount	Coarse-resolution satellite active fire and burnt area data products in combination with medium resolution satellite data used for forest area changes	Emissions from biomass burning
Indicator on increased carbon removals:				
Encouragement of increasing carbon	Changes from non-forest land	Not considered relevant in the		Activity data on

<p>sink capacity of non-forest and forest land</p>	<p>to forest (i.e. through plantations, land use change) or within forest land (sustainable forest management, enrichment planting) can increase the sequestration of atmospheric carbon.</p>	<p>interim period before a proper MRV-system is in place but any dedicated activities should be documented as far as practicable.</p> <p>In accordance with Guyanese policy, an environmental impact assessment will be conducted where appropriate as basis for any decision on initiation of afforestation, reforestation and carbon stock enhancement projects.</p>		<p>change to forest land and changes in carbon stocks in forests remaining as forests</p>
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