

**MAKING LOW CARBON DEVELOPMENT A POSITIVE DEVELOPMENT
CHOICE: LESSONS FROM GUYANA**

BY

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Distinguished Guests, Ladies and Gentlemen:

I am delighted to be here in Addis Ababa.

My presence stems from an invitation from Dr Janneh to Guyana's President, Bharrat Jagdeo, some months ago. The President and Dr Janneh have had several conversations about the importance of putting "development first" within action on climate change in Africa and elsewhere, so I am honoured to participate in this event co-moderated by UNECA.

President Jagdeo also shares the viewpoints so eloquently expressed by Mary Robinson - who has emphasised that global action on climate change must be done in a way that promotes justice across the world - so I am also delighted to see Professor Grimson from the Mary Robinson Foundation-Climate Justice co-moderating today.

The President would very much like to have been able to attend himself, and to join with so many others who share his passionate commitment to the cause of averting catastrophic climate change. However, he will be leaving office before the end of the year in accordance with the term limits he signed into the Guyanese Constitution – so he has an extremely busy schedule and has asked me to represent him instead.

It is refreshing to see the title of today's event: "Development First: Addressing Climate Change in Africa". In Guyana, we share the view that this perspective is the only one that will lead to meaningful progress. Three years ago, when President Jagdeo first set out his vision on low carbon development, he said – and I quote – "We need to break the false debate which suggests that a nation must choose between national development and combating climate change."

That quote captures the essential challenge at the core of Guyana's Low Carbon Development Strategy. And we are hoping to meet that challenge through two critical elements. First, we now have one of the world's biggest examples of how climate finance can flow – with Norway paying Guyana up to a quarter of billion dollars for the climate services we provide the world from our forests. The second element is Guyana's work to invest the revenue we receive for climate services in the new low carbon economy and addressing our adaptation challenges. This is enabling us to forge what we hope is a relevant model for how other countries like ours can put "development first" and still address climate change.

Putting "development first" is right for moral reasons. Africa and the rest of the developing world didn't cause climate change, we suffer the most from it, and we should not be expected to bear an unfair burden in dealing with it, especially in the absence of action from the world's major polluters.

But as well as being morally right, putting "development first" is also right from a practical point of view. Because no matter what way we look at it - whether we are in the developed or the developing world - addressing climate change means taking policy action and spending money.

Progressive groups around the world know that these actions and expenditure are the right long-term strategy if we care about future generations and recognise the need for a new non-polluting global economy. But like any progressive

change - even if it is right for the long term, it can be tough going in the short and medium term.

We see that practical reality playing out around the world in those areas that are the most progressive in the search for climate solutions.

For example, Ms Hedegaard is here representing the European Union, which has been among the most progressive actors in the world on climate change. And I expect that she recognises that action on climate change in Europe carries a challenging toll in terms of the political arguments that rage, and the resistance shown by vested interests from the old economy. Similarly, if you look at Australia, you see vigorous political debate, marches on the streets, and the mobilisation of massive movements both for and against climate action.

And if you listen to how the debate has evolved in those developed world economies over the past few years, the argument is all about “development first”. The British Government justifies its extremely progressive action on climate change on the basis of the number of jobs it can create in new, clean technologies and exports. Germany justifies its ambition for a nuclear-free, low carbon energy sector on the grounds that this will stimulate German businesses to lead the world in the creation of breakthrough energy technologies. Australia’s Prime Minister says that her action on climate change will create jobs and increase Australia’s long term competitiveness.

In other words, the idea that “development first” is somehow a developing world argument is false.

The challenge, wherever we are in the world, is: how do we create the new economy of the future that – again in the words of President Jagdeo – makes “combating climate change and promoting social and economic development compatible, not competing objectives”

Guyana, like many countries in Africa, continues to believe that we need a legally binding international climate treaty to do this. It is the only way to legitimately balance the obligation to fix the legacy of the past with the opportunity to participate in the green economy of the future. We went to Copenhagen, then Cancun, in good faith to play our part in achieving this. And we will play our part in Durban and beyond.

But frankly speaking, progress to date remains bleak. We are still on track for perhaps a 4 degrees rise in global temperatures above pre-industrial levels, which would represent utter catastrophe. And there is still no sign of meaningful action from some of the world's biggest historic polluters.

So is there anything we can do now in the absence of a legally binding agreement? In Guyana, we believe that some progress is possible and that this can help the developing world.

After Copenhagen and Cancun, there were a couple of positive signs. Firstly, there was a commitment of Fast Start Funding of US\$30 billion for the period 2010-2012 to stimulate action on mitigation and adaptation in the developing world. And secondly, there was a commitment to look at raising the annual flow of climate finance to US\$100 billion per annum by 2020.

Unfortunately, as everyone here knows, we are nearly in the final year of the so-called Fast Start Funding period – yet virtually no funding has *started*, and it is certainly not *fast*. Without the at-scale flow of finance that was promised, developing countries are limited in their ability to pay for action on climate change. And this gets in the way of the vital trust-building between the developed and developing world that is key to solving the climate problem.

Therefore, solving the problems of Fast Start Funding for the short term, and making sure the Global Climate Fund works for the longer term, is hugely important. In Guyana, we strongly believe that if we can fix these problems alongside our work on a legally binding treaty, we can transform the environment for climate-friendly development across the developing world.

And in our work with Norway – which is in many ways a microcosm of what we want to see globally - we hope that we are starting to prove that progress is possible.

At the core of our five year agreement with the Government of Norway is Norway's commitment to pay Guyana US\$5 per tonne for the climate services provided by our rainforest. At a total of a quarter of a billion US dollars, this is now the world's second largest operational REDD+ deal, and represents one of the largest flows of climate finance anywhere in the world.

We have designed it in a way that we hope is replicable and scaleable. It is aligned with analysis which states we could deliver a 25% reduction in global deforestation within five years for a cumulative total of less than 25 billion euro. If successful, this would be the single biggest contribution to averting climate catastrophe in history – and would start to address the reality that globally, deforestation and forest degradation cause more greenhouse gas emissions than the European Union, and it will be impossible to avert climate catastrophe without addressing this.

From the perspective of REDD+, the deal is enabling us to maintain about 99.5% of our rainforest cover – that is about 16 million hectares, or the size of England and Scotland combined.

But in Guyana, we are seeking to do more than just protect our forest. As Norway pays us for the climate services the forest provides, we are using this revenue to

invest in our transition to a low carbon economy. Our plans to achieve this are set out in our Low Carbon Development Strategy, which was put together after a national consultation involving over 10% of our population.

Based on this strategy, within the next five years, we are using some climate finance to catalyse private investment in clean energy to eliminate over 92% of our energy-related greenhouse gas emissions.

We are distributing 11,000 solar panels to indigenous households to give over 50,000 people in indigenous and other remote areas access to electricity for the first time.

We are establishing an Amerindian Development Fund to address specific social and economic needs identified by our indigenous communities.

Importantly, we are focussing on the next generation of jobs for our young people – for example, we are distributing 90,000 laptops and training in Information and Communications Technology to low income households to prevent the emergence of a digital divide in Guyana, and to lay the foundations for long-term employment in low carbon sectors.

We're establishing a world-class Centre for Bio-diversity, , and setting up a green investment fund to attract a further US\$2 billion in private finance for specific, identified low carbon economic enterprise opportunities over the next four years.

We are investing in our priority adaptation challenges – Guyana is already suffering significantly from climate-induced extreme weather events. For example, in 2005, flooding caused economic damage equivalent to 60% of our GDP.

Of course, we are also investing heavily in greenhouse gas monitoring, reporting and verification systems, plus significant improvements in governance capabilities in the relevant areas.

These are just some of the highlights of what we have started, and what is planned over the next few years. We are in the second year of the five year agreement – so inevitably, we still have plenty of problems. But we are working our way through them, bit by bit.

I hope this paints a picture of how - working with a progressive partner in the case of Norway - we have been able to put “development first” in a way that is compatible both with President Jagdeo’s vision for a new economy in Guyana, and with the potential that can be achieved globally if we solve today’s problems with the international climate finance that is already committed.

So what lessons do I think might be useful for Africa and the international community from our experience? There are many I could mention but I will offer just three for now as time is limited.

The first lesson is to underline very strongly that solutions for Africa will come from communities and countries within Africa itself. With the greatest of respect to my distinguished fellow panellists, I think I need to make the point that climate solutions for Guyana or Africa cannot be designed in Brussels or London or Washington. This point seems obvious, and senior politicians from the north sometimes wonder why we need to say it. But – and again, I say this with deep respect - it is a point that is sometimes not understood by the bureaucrats from these and other capitals. They nearly always mean well, and are smart and dedicated professionals – but often, they are simply not equipped with the skills, capacity and experience that are needed. One of the striking features of our partnership with Norway is that it is a genuine partnership, and just as we have

learned much from our colleagues in Norway, I think that they would also acknowledge that they have learned lots from us.

My second point is that none of this would have been possible if we had been unable to bring the people of Guyana along with the vision. Just as we see in Europe or Australia, there are many who are unsure about a low carbon strategy and the concept of a new, non-polluting economy. But at the same time, when you engage with people on the ground, the ideas and innovation that come from within society are inspiring. The extent to which the Low Carbon Development Strategy has captured the public imagination in Guyana is hard to convey from a distance. School-children, boy-scouts, businesses, indigenous communities, miners, foresters, politicians, taxi-drivers – everyone has something to say about it. There are calypso songs, satirical cartoons in the newspapers, much commentary in the media. It is not always positive, but the volume of debate is impressive, and ultimately this will sustain the strategy through the inevitable difficulties that have yet to come. Because, in the final analysis, it is people in our societies who will determine whether or not the actions we take are putting their “development first”.

And it is for this reason that my third point is so crucial. And the point is that accessibility to efficient climate finance at the scale required is critical. The support of society that I just mentioned is not un-qualified, and civil society is very well able to identify when funding promises prove to be false. The key milestone for Guyana was finding in Norway a partner who was willing to make performance-based payment for climate services a reality. The availability of finance – in Guyana’s case, a quarter of a billion dollars – meant that the Government and the people could take difficult policy decisions at the scale required to make a difference. We could deploy serious human and financial resources towards our Low Carbon Development Strategy, which would not have been the case if all we were talking about was a small amount of difficult-to-access aid money. Our work hasn’t all been plain sailing – for example, over the

past year, we have had big challenges in intermediating the money between Norway and Guyana. But because the sum of money was sufficient to make a real difference, both Guyana and Norway held their nerve through many difficulties and continue to work together towards modernising the instruments that facilitate the flow of funds from north to south.

So drawing on our experience, I truly believe that if we could solve the outstanding problems with Fast Start Funding, and make the Global Climate Fund an effective mechanism, we could transform the landscape for putting “development first” and combating climate change. We really need to get to the bottom of why it is that on the one hand, developed world leaders often think that the fast start finance is flowing – this is certainly the case in European capitals where money has left their cash-strapped Treasuries. But on the other hand, from the perspective of developing countries, the money hasn’t arrived – because it is stuck somewhere on the way. This does not help developed country leaders justify to their electorates why the money has been invested. Neither does it help developing country leaders who are prepared to take the tough decisions needed to move forward. Put these realities together, and you start to understand why there is so much dis-trust, frustration and mis-understanding.

But change these realities, and we transform our global ability to combat climate change and catalyse further development across the developing world. It would enable us to unblock the emergence of new clean industries and technologies in Africa and elsewhere at the scale we need. I hope that Guyana has shown in a small way what happens when the finance starts to become available. Moreover, we can draw inspiration by looking at places like Europe: today, there are millions of jobs in the European low carbon sector. Billions of words are being written by European think-tanks and universities about this sector. Thousands of workers are going home to their families and talking about green growth. European newspapers are full of commentary. Not always positive, not always accurate – but the debate is ongoing. And a major - albeit not the only - reason for this is

that there is now a US\$100 billion climate finance market within the European Union, which is generating the jobs, the brainpower and the innovation that will eventually enable Europe to work out how to meet its climate targets and be a leader in low carbon enterprise. Imagine if there was a similar amount of climate finance flowing throughout Africa – think of how that would stimulate African brains, innovation, commentary, business and the emergence of a new low carbon sector within the African economy.

So to conclude, ladies and gentlemen: I hope that I have in some small way contributed to the vital debate about putting “development first” in Africa and elsewhere. I have had to be brief – but I am very pleased to note that the Mary Robinson Foundation – Climate Justice has produced a summary of some of the lessons learned from Guyana’s experience. I thank Mary Robinson and her foundation for this welcome contribution to the debate, and encourage others to read it.

As always, Guyana stands ready to work in solidarity with Africa – we are already very proud of the fact that we have started a strong south-south partnership with Minister Njombo and our friends from the Congo. I hope that we will continue to support each other in the years ahead.

And as many of you know, a few months ago in the Congo, President Jagdeo was asked by the Heads of Government and Ministers from the Amazon, Congo and Borneo-Mekong forest basins to continue to serve the broader climate cause as their Roving Ambassador for the Three Basins. I know that he is giving serious thought to how he can fulfil this role, and he has asked me to repeat the commitment he gave when he was in the Congo that he remains personally committed to serving in any way he can those in Africa and elsewhere who are leading the way.

Once more, thank you for the invitation to Addis Ababa.