REQUEST FOR COUNTRY ALLOCATION OF UNDP COVID-19 2.0

**RAPID FINANCING FACILITY**

## Substantive area of RFF REQUEST

*(Please choose the most relevant area)*

* Continued Health Crisis Support
* **Governance**
* Social protection
* Green economy
* Digital disruption and innovation

## Proposal details (maximum APPROXIMATELY 3 pages)

**Country: Guyana**

**Requestor: Jairo Valverde Bermudez**

**Project title (5-7 words): Enhancing Natural Resources Governance for Sustainable Development**

**Requested amount: US$350,000**

**Gender Marker: GEN 02**

**Date of submission: October 30, 2020**

**Implementation Start Date: January 4, 2021**

**Implementation Complete Date: June 30, 2022**

1. **Situation analysis** *(maximum 3,000 characters)*

*Within the analysis, please include the gender differentiated impacts of COVID-19.*

The first case of COVID-19 in Guyana was confirmed on March 11; today 4,074 persons have tested positive with 123 deaths. The findings of a UNDP supported survey on the Socio-Economic Impact of COVID-19 on Households shows that approximately 21.8% of households skipped meals since the outbreak, with a higher % among female headed households (30% as against 20.4% in others); more female headed households were worried about not having enough food; household income was and remains significantly lower among those headed exclusively by females; and the average number of children per household who attended public schools more than halved. Containment measures have been implemented to curb the spread but were only accompanied by limited mitigation support to address the socio-economic fallout. The International Monetary Fund (IMF) (October 2020) projects a real growth rate of 26.2% for 2020, revised downwards from a pre-COVID-19 estimate of 86%; while access to concessional financing is impeded by Guyana’s upper middle-income status.

The emerging petroleum sector is poised to be the driver of this real economic growth as the estimated recoverable resource is in excess of 9 billion BOE and the IMF estimated that by 2024 oil will account for around 40% GDP. Oil and Gas along with forestry and mining thus increases the reliance on the natural resources patrimony of the country and constitutes the strongest financial contributor to Guyana’s recovery from the impact of COVID-19. History has shown that this sector is vulnerable to the *resource curse*. Stewardship in the governance and management of the natural resources is therefore of paramount importance in cultivating the enabling environment for sustainable development. This has the potential to yield a double-dividend of not only post COVID-19 recovery but also contribute to the long-term goal of climate neutrality. That is, the revenues earned from the sector can be invested in transformative, low carbon initiatives such as renewable energy technologies. The revenue will also be used to spur recovery in other sectors affected by the pandemic such as health, education, housing, social protection and other social and economic infrastructure thereby contributing to increased job creation, reduced poverty and inequality beyond COVID-19 recovery, towards Agenda 2030.

UNDP has historically supported the Ministry of Natural Resources (MNR), which is responsible for management of the forestry, mining and oil and gas sectors, with development of its 2013-2018 strategic plan and extensive technical support in promoting more sustainable mining and forestry practices. Nevertheless, challenges of weak institutional capacity, especially for managing emerging oil and gas remain. The Ministry has indicated gaps where UNDP’s support is heavily sought, including for development of a local content policy for the oil and gas sector and enhancements in strategic planning and regulatory capacities in the forestry, mining and oil and gas sectors. UNDP therefore intends to support the strengthening of Guyana’s institutional and regulatory capacity to deal with increased income from oil and other natural resources in a way that will advance sustainable development by facilitating the recovery of the non-oil economic activities during and after COVID 19.Embedded in this support would be a focus on strengthening environmental and social safeguards towards more robust policy and institutional framework for the sustainable management of natural resources. The overall aim and outputs of this proposal are aligned to the country’s Low Carbon Development Strategy, the UNCT’s Socio-economic Response Plan, UNDP’s COVID-19 Offer 2.0 as well as the UN framework for the immediate socio-economic response to COVID-19. In addition, supporting the Government of Guyana in the Oil and Gas Sector and natural resource management provides a major entry point for expanded support by UNDP and could serve to strengthen UNDP/Government of Guyana partnership.

1. **Proposal overview and expected outputs** *(maximum 3,000 characters)*

*Please elaborate on the proposal approach and how it is expected to lead to change at the output level. All Rapid Financing Facility proposals must be GEN2 or GEN3; therefore, please indicate how the country office proposes to address gender inequalities through concrete interventions.*

This proposal aims to support the MNR in establishing competent and strong institutions to support the judicious management and regulation of the natural resources sector including petroleum, forestry and mining. Due to the proposal’s scope, premium would be placed on cross-cutting mechanisms focused on enhancing capacities for social and environmental screening, gender responsiveness and effective stakeholder engagement, including the incorporation of Free, Prior and Informed Consent (FPIC) for Indigenous Peoples, augured by the preparation of stakeholder engagement plans.

**Output 1: Revision and update of the Strategic Framework and Costed Strategic Plan of the MNR for the period 2021-2025 completed.**

This framework and plan, which will cover the Guyana Forestry Commission (GFC), Guyana Geology and Mines Commission (GGMC) and the Petroleum Sector, will seek to focus on: enhanced and effective policy, institutional framework and legislation; holistic, integrated and environmentally sustainable planning; and sustainable resources use, management and monitoring. Building on existing bodies of work, the framework and plan would be informed by analyses of the hazards, vulnerabilities and risks particularly associated with climate in Guyana. Furthermore, the framework and strategic plan will also promote the sustainable use of Guyana’s rich endowment of natural resources to not only support socio-economic recovery but ensure that all Guyanese benefit fully from the economic and development gains.

The Strategic Framework and Costed Strategic Plan provide a strategic opportunity for mainstreaming gender equality imperatives to ensure that vulnerable groups, especially women, benefit from not only the oil and gas sector but also from the broader natural resources. In terms of the Framework’s results framework, gender equality indicators and targets can be established to advance the empowerment of women and vulnerable groups. Effective, sustainable and judicious management of Guyana’s natural resources would ultimately lead to higher investments targeting vulnerable populations, including women and other sexual minorities.

**Activities:**

UNDP will provide technical support through the provision of consultantsto undertake the revision and update the 2013-2018 strategic framework and produce a costed strategic plan for the period 2021-2025. This activity will be underpinned by a consultative, gender responsive, inclusive and participatory approach through forums and workshops to ensure voice and participation of a diversity of stakeholders.

**Output 2: Technical support for the establishment of the Petroleum Commission**.

The Petroleum Commission (PC) is an important agency that will be responsible for monitoring and regulation of the efficient, safe, effective and environmentally responsible exploration, development and production of petroleum in Guyana. The PC will play an integral role in ensuring that the country benefits maximally from oil without undermining the environmental integrity and national sustainable development goals. UNDP will facilitate the integration of social and environmental safeguards and gender equality measures in the standard operating procedures (SOPs), recruitment procedures and ultimately in the training programmes for officers of the Commission. The needs of vulnerable groups would be considered by the PC in the execution of its mandate. The Commission would also be encouraged to introduce and promote gender equity in the sector by considering the Gender Equity Seal as an auditable standard and certification system for petroleum companies.

**Activities**:

UNDP will provide technical support for the establishment of the PC by accessing requisite expertise through consultants to support the MNR in the development of the implementation modality, organizational structure, funding framework and requirements, standard operating procedures of the Commission and recommendations for any institutional, legislative and policy changes that are required. Consultant will also provide training and recommendations on other knowledge transfer mechanisms for the institutional capacity development of the staff of the Commission. This is another activity that will be embedded through effective and diverse consultations.

**Output 3: Update and Training in use of the Methodology for the National Forest Inventory Management**.

Based on the lessons from the implementation of the existing methodology (developed in 2018) and the identification of any new available technologies, this methodology will be reviewed and revised and officers of the GFC and the Community Forest Organizations (CFOs) will be trained in its use.

**Activities**:

UNDP will provide a consultant for the review and revision of the methodology for national forest inventory management and training of GFC officers and CFOs in the use of said methodology. Workshops for the review and training of officers and other relevant staff would be undertaken.

**Output 4: Integrate the use of the Monitoring, Reporting and Verification System (MRVS) of the GFC into the oversight function of the GGMC**.

**Activities:**

UNDP will provide consultants and organise workshops to facilitate training in the use of the MRVS by the GGMC.

For all outputs involving training and capacity development, UNDP will ensure that there is adequate participation of women to enhance benefits to them.

Overall, these four outputs seek to embrace innovative practices as being promoted by UNDP. UNDP will advocate for the use of innovative online platforms (similar to UNDP’s spark-blue) and other technologies to facilitate consultations in the strategic planning process. These would be especially invaluable for training in the event face-to-face interactions are still restricted. In addition, it is expected that the revised forestry inventory methodology will incorporate the use of state-of-the-art technologies, on which the GFC and CFOs would be trained. This proposal would position Guyana to embrace innovative green technologies by using the windfall resources to be derived from the natural resources sector to invest in low carbon development such as renewable and low emissions technologies in the energy, infrastructure, education, health and other sectors.

1. **Management arrangements** *(maximum 2,000 characters)*

*Describe how the initiative will be managed within UNDP.*

UNDP Guyana will be the Implementing Agency (IA) for the project through the Direct Implementation Modality (DIM). To promote engagement and participation of stakeholders as well as national ownership and inclusive participation, UNDP will implement the project in close partnership with the MNR and other relevant institutions. A Technical Working Group (TWG) comprising UNDP, the Food and Agricultural Organization (FAO), the MNR Agencies (GGMC and GFC) and other relevant stakeholders would be established to guide and monitor the project and provide technical direction.

The Project will be managed by the Guyana Country Office Head of the Energy, Environment, and Extractive Industries portfolio with support from the Head of the Governance and Poverty Reduction Portfolio and the Head of the Strategic Management Unit. This is to ensure coordination across portfolios to successfully implement this multi-faceted project. UNDP’s Resident Representative will provide project assurance through oversight and guidance. UNDP will manage the project, including procurement processes, in line with its Programme and Operations Policies and Procedures (POPP).

1. **Partnerships** *(maximum 2,000 characters)*

*Describe how the country office will work with partners to achieve results.*

The key partner in the implementation of this proposal will be the Ministry of Natural Resources (MNR). The initiative is based on the Government’s national development plan, namely the Low Carbon Development Strategy (LCDS), as well as the manifesto of the 3-months old Government. In addition, natural resources governance featured prominently in the Presidential Inauguration address in August 2020. Further, the activities that are included in this proposal emanated directly from requests from the MNR.

Therefore, this Proposal will enable the Country Office to swiftly respond to the request of the Government and streamline our support to the MNR.  The Proposal includes interventions that will strengthen the partnership between UNDP and the Government and provide the foundation for upscaling into a larger project with components focused on a stronger evidence-based collaboration for enhancing the management of, and maximizing opportunities from the natural resources sector for the sustainable development of Guyana.

The proposal will also allow for the establishment of key partnerships with other stakeholders such as the Community Forest Organizations (CFOs). Based on their constitution, women play a very integral role in the management and functioning of these CFOs and this would be leveraged to support gender equality and women empowerment. Given the cross-cutting nature of the proposal’s output, other partnering agencies including groups that represent gender interests within a natural resources context would be engaged.

Further, the proposal will leverage existing relationships and experiences of other UN Agencies. The FAO, which has been integrally involved in supporting the Monitoring, Reporting and Verification System of the Guyana Forestry Commission and in supporting forest inventories elsewhere, would be engaged as UNDP plans and executes these activities, especially in lessons and advanced and efficient technologies and systems. The United Nations Institute for Training and Research (UNITAR), which is currently engaged by the Country Office in the development and capacity building in an early warning system for disaster risk reduction would also be engaged in the delivery of relevant training.

1. **Complementarity with other funds available for COVID-19**

*If the country office already has resources available for COVID-19 (e.g. core resources, Rapid Response Facility, government C/S, third-party C/S, vertical funds, etc.), please indicate how the requested funds will complement other funds or help mobilise additional resources toward programmatic ambitions and sustainability.*

|  |  |  |
| --- | --- | --- |
| **Funding source** | **Amount (US$)** | **Purpose of / period covered by Funding** |
| Core – TRAC 1 | 78,567 | Socio-Economic Impact Assessment of COVID-19 on Households in the 10 Regions of Guyana. This assignment is undertaken over the period August to November 2020. |
| Core – TRAC 2 | 45,000 | Engagement of a Senior Economist to support the Country Office in producing policy oriented analytical work and advice in relation to the socio-economic impact of COVIND 19; and enhancing UNDP’s standing as a key government interlocutor on all development issues. This assignment is undertaken over the period of June to December 2020 |
| Core – TRAC 1 | 70,000 | Support the production of national local content policy and regulations for the oil and gas sector in Guyana. This assignment would be undertaken over the period November 2020 to February 2021. |
| Total | **193,567** |  |

The above-mentioned initiatives will complement this proposal and support the case for mobilization, upscaling and increase in Government cost sharing in Guyana. The Socio-Economic Impact Assessment, which covers all 10 regions of Guyana and include samples from hard to reach communities that are not connected technologically and have not participated in other digital surveys, would provide critical data on the impact of COVID 19 on the population. The Senior Economist is expected to use these findings to support policy advice to the Government on areas for investment in the recovery and rebuilding process.

In addition, the local content policy and regulations forms part of the institutional and regulatory strengthening for enhanced natural resources governance in Guyana.

These initiatives will boost UNDP’s standing as a partner of choice and would play a key role in strengthening our position to access Government expected windfall resources to be derived from the natural resources sector as we accompany Guyana in its new transformational development trajectory.

1. **Risk mitigation** *(maximum 2,000 characters)*

*Identify the key risks that may threaten the achievement of results and describe how project risks will be mitigated.*

|  |  |
| --- | --- |
| **Risk** | **Mitigation measure** |
| COVID 19 containment measures continue to restrict face to face engagements. | UNDP will seek to use innovative approaches, such as online platforms, to engage key stakeholders. The anticipated increased internet penetration across the country as a result of the recent liberalization of the telecommunications sector is expected to enhance digital engagements. |
| Delays in passage of legislation to facilitate the establishment of the Petroleum Commission. | Would be sequenced based on the Government’s planned legislative agenda. UNDP will monitor this process carefully and in the event delays becomes probable, the Government will be engaged to plan and sequence events to facilitate full implementation of this Activity within the project timeline. |
| Availability of females from the Community Forestry Organizations (CFOs) to participate in training | Given that of these CFOs are located in the hinterland of Guyana, UNDP will leverage existing relationships built with communities and the Ministry of Amerindian Affairs during the implementation of previous and on-going projects to identify and engage female participants. |
| Inadequate institutional support from the Ministry in the execution of the project | Advance planning would be undertaken to work with the Ministry in identifying key focal persons to be engaged in project implementation. |
| Delays in accessing experts to support project deliverables | UNDP will leverage our Global Policy Network and access to relevant rosters in sourcing suitable experts. |
| Delays due to political instability in Guyana | While the political environment is considered stable, UNDP will monitor related developments carefully and seek to revise project plan in the event the probability of this risk increases. |
| Planned budget for activities in this proposal are inadequate or non-approval of proposal. | UNDP will carefully monitor the expenses to determine, in advance, whether there would be shortfalls and seek alternative avenues to complement the awarded amount to fully implement the project.  Non-approval will be a significant risk as it would negatively impact UNDP’s ability to access Government cost sharing resources for implementation of catalytic investments in Guyana. |

## BUDGET / WORKPLAN

| **EXPECTED OUTPUTS** | **PLANNED ACTIVITIES**  *List all activities including M&E to be undertaken during the year towards stated CP outputs* | **TIMEFRAME** | | | | | | **RESPONSIBLE PARTY** | **PLANNED BUDGET\*** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2021 | | | | 2022 | | Source of Funds | Budget Description | Amount |
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| **Output 1:** Revision and update of the strategic framework and costed strategic plan of the Ministry of Natural Resources for the period 2021-2025 completed. | (1).Consultants to revise the 2013-2018 strategic framework and produce a costed strategic plan for the period 2021-2025.  (2). Workshops for consultations and validation with key stakeholders during the review. |  |  |  |  |  |  | UNDP/MNR | UNDP | 71300 Local Consultant  71200 International Consultants  71600 Travel  75700 Workshops | 20,000  55,000  10,000  10,000 |
| **Output 2:** Technical support for the establishment of the Petroleum Commission. | (1). Consultant to support the Ministry of Natural Resources in the development of the implementation modality, organizational structure, funding framework and requirements, standard operating procedures of the Commission and recommendations for institutional and policy changes required.  (2) Consultant to provide training and recommendations on other knowledge transfer mechanisms for the institutional capacity development of the staff of the Commission.  (3) Training workshops for (1) and (2). |  |  |  |  |  |  | UNDP/MNR | UNDP | 71300 Local Consultant  71200 International Consultants  71600 Travel  75700 Workshops | 30,000  75,000  10,000  30,000 |
| **Output 3:** Update and Training in use of the Methodology for the National Forest Inventory Management. | (1). Consultant for the review and revision of the methodology for national forest inventory management and training of Officers of the Guyana Forestry Commission and members of Community Forest Organizations in the use of said methodology.  (2) Training workshops for (1). |  |  |  |  |  |  | UNDP/MNR/GFC | UNDP | 71200 International Consultant  71600 Travel  75700 Workshops | 25,000  15,000  7,500 |
| **Output 4:** Integrate the use of the Monitoring, Reporting and Verification System (MRVS) of the Guyana Forestry Commission into the oversight function of the Guyana Geology and Mines Commission. | (1). Consultants to provide training in the use of the Monitoring, Reporting and Verification System by the Guyana Geology and Mines Commission.  2. Training workshops for (1). |  |  |  |  |  |  | UNDP/MNR/GGMC | UNDP | 71300 Local Consultant  71200 International Consultants  75700 Workshops | 15,000  15,000  7,500 |
|  | *Monitoring and Evaluation* |  |  |  |  |  |  |  | UNDP |  | 8,220 |
|  | *DPC (5%)* |  |  |  |  |  |  |  | UNDP |  | 16,661 |
| **Total** |  |  |  |  |  |  |  |  |  |  | **349,881** |

*\*In line with Outputs with gender marker GEN2 or GEN3, it is recommended to allocate at least 15% of the funding to activities in support of gender equality and the empowerment of women.*

| **RESULTS FRAMEWORK** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **EXPECTED OUTPUTS** | **OUTPUT INDICATORS**[[1]](#footnote-2) | **BASELINE** | | **MILESTONES AND TARGETS** | | | | | | |
| **Value** | **Year** | **2021** | | | | **2022** | | |
| **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | |
| **Output 1:** Revision and update of the strategic framework and costed strategic plan of the Ministry of Natural Resources for the period 2021-2025 completed.  GEN 02 | 1.1**:** Number of gender responsive institutional frameworks in place for conservation, sustainable use, and equitable access to and benefit sharing of natural resources, biodiversity and ecosystems. | 1 | 2015 |  | 2 (1Framework and 1 Costed Plan) |  |  |  | |  |
|  |
| **Output 2:** Technical support for the establishment of the Petroleum Commission.  GEN 02 | 2.1**:** Number of gender responsive regulatory frameworks in place for conservation, sustainable use, and equitable access to and benefit sharing of natural resources, biodiversity and ecosystems. | 0 | 2020 |  |  |  |  |  | | 1 |
| **Output 3:** Update and Training in use of the Methodology for the National Forest Inventory Management.  GEN 02 | 3.1: Number of persons trained in National Forest Inventory Management methodology, disaggregated by gender | 0 | 2020 |  |  | 150  At least 40% females |  |  | |  |
| **Output 4:** Integrate the use of the Monitoring, Reporting and Verification System (MRVS) of the Guyana Forestry Commission into the oversight function of the Guyana Geology and Mines Commission.  GEN 02 | 4.1: Number of GGMC personnel trained in use of Monitoring, Reporting and Verification System, disaggregated by gender | 0 | 2020 |  |  | 20  50% females |  |  | |  |

1. It is recommended that projects use output indicators from the Strategic Plan IRRF COVID-19 indicators, as relevant. Due to the nature of the COVID-19 response work, quarterly milestones and targets are recommended. Monitoring will be conducted using the COVID-19 Monitoring Dashboard. Reporting will be streamlined into the COVID-19 reporting exercise (mini-ROAR and COVID-19 indicators.) No separate reporting will be required for rapid financing facility. [↑](#footnote-ref-2)