

*The paradox of being an oil-producing state and pursuing
a green development agenda*

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The past two centuries of rapid industrialization and economic growth have undoubtedly resulted in enormous material progress. Simultaneously, the damaging impact of this economic growth on the environment is also increasingly obvious. Global climate change is a constant reminder that our reliance on fossil fuels must be swiftly reduced. Other environmental effects include desertification, soil erosion, the destruction of forests, and the continued extinction of unique species.

This creates an interesting paradox, in that beyond a certain point, the ever-increasing material gain can become not a gift but a burden (Barbier, 2005). Guyana finds itself at the heart of this paradox, as it is projected to be showered with unprecedented wealth, with the most recent IMF data projecting some 86% growth in GDP in 2020 (IMF, 2019). Even in the face of COVID-19, Guyana's economic outlook remains positive. This wealth is to be earned primarily from the offshore production of hydrocarbons recently discovered in Guyana's exclusive economic zone. The magnitude of these discoveries and the economic benefits they are projected to bring to Guyana is both exciting and terrifying given Guyana's history with natural resource extraction and our tendency to jump from one development plan to the next without proper implementation or documentation of lessons learned. Let us briefly walk through the development plans laid out between 2000 and the present day.

In the past two decades, several development strategies have been crafted for Guyana. Though, for the most part, none of these strategies have been properly implemented, one theme that runs through all of them with progressive clarity is the importance of responsible and sustainable use of our natural resources. The first of these strategies to which I refer is the National Development Strategy (2001-2010) which had as one of its primary goals the conservation of Guyana's environment (Ministry of Finance, 2001). Even then, the crafters

of the strategy recognized that the chief problem in this area is the reconciliation of economic development with the necessity of conserving the environment. In recognition of this, the strategy delineated environmental monitoring and control mechanisms for all our social and economic endeavors. In my opinion, the NDS is the most robust development strategy ever written for Guyana and we would have done well to follow it. Unfortunately, the National Development Strategy was replaced in 2006 with the National Competitiveness Strategy which does not overtly target environmental conservation as an overarching goal but does address it under sector-specific strategies including mining, agriculture, and tourism. A more deliberate approach to pursuing green development was ushered with the development of the Low Carbon Development Strategy (LCDS). It was believed that while the NDS sets out the country's overall development framework, and the NCS took forward specific economic development priorities, both were written before the impact of climate change was fully understood, and the Low Carbon Development Strategy augments them with updated analysis on how some of the goals of the NDS and NCS can be achieved, with a focus on doing so in a low carbon manner (LCDS, 2010).

The LCDS was conceived when Guyana joined 34 other countries in the Informal Working Group on Interim Financing for Reduced Emissions from Deforestation and Degradation (REDD+ IWGIFR). This group was set up to take forward the decisions reached at the G20 side meeting on deforestation that took place in London in April 2009, where Guyana was one of three non-G20 countries invited to join the leaders of the most powerful economies in the world. A tangible result of this came in on November 9th, 2009, when the Governments of Guyana and Norway signed a Memorandum of Understanding which set out how the two countries will “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.” Accordingly, the Low Carbon Development Strategy (LCDS) was developed in 2010 under the vision of the then President, which was quoted in the strategy and is worth repeating here:

“...we want to be part of a global coalition that stimulates innovation and creativity to enable us to leapfrog over the high-carbon development path that today's business-as-usual trajectory suggests we must follow... As part of our commitment, I believe that the people of this country might be willing to deploy almost our entire rainforest – which is larger than England – in the service of the world's battle against climate change... providing this does not damage their legitimate development aspirations or impact on their sovereignty over our forest.” (LCDS, 2010: pg 2)

The Strategy advanced was a four-pronged approach to creating a low-carbon economy; namely through (1) Investing in low-carbon economic infrastructure (2) Facilitating investment and employment in low-carbon economic sectors, (3) Sustainably managing forest-based economic sectors forestry and mining, (4) Generally enhancing the nation's human capital and creating new opportunities for forest-dependent and other indigenous communities (LCDS, 2010). It was envisaged, inter alia, that REDD+ payments can enable Guyana's economy to be realigned onto a low-carbon development trajectory, and that Guyana would be able to generate economic growth at or more than projected Latin American growth rates over the coming decade, while simultaneously eliminating approximately 30 percent of non-forestry emissions using clean energy (LCDS, 2010).

Unfortunately, once again, though several projects were initiated under the LCDS, none was particularly successful, and the flagship Amaila Falls Hydropower project never actually came off the ground. In spite of this, in 2015, the LCDS was set aside by the new administration and replaced with the Green State Development Strategy (GSDS). Just as the NDS and NCS were developed before the impact of climate change was fully understood, the LCDS was written before the discovery of oil reserves offshore Guyana. The new strategy postulated that the significant discoveries and the imminent exploration activities that would enable Guyana to become an oil-producing nation are not intended to take us off the path of low-carbon development. Rather, the intention is to use the gains from the oil and gas sector to further the country's vision of becoming a green state (GSDS, 2019). Accordingly, the vision for the GSDS was stated as

“An inclusive and prosperous Guyana that provides a good quality of life for all its citizens based on sound education and social protection, low-carbon and resilient development, providing new economic opportunities, justice, and political empowerment.” (GSDS, 2019)

The GSDS acknowledges that oil and gas can present both a blessing and a curse. With this in mind, it was built on the premise that with revenues generated from the country's natural wealth, it is now possible to modernize traditional sectors (e.g. forestry, fisheries), maximize efficiency and investment opportunities in high growth sectors (e.g. mining, rice), and invest in future value-adding sectors (e.g. business process outsourcing, tourism, and agro-processing), ensuring better opportunities for Guyanese. There was almost no implementation of this policy as it was only completed in 2019 and there was a change in administration in 2020 after an extended period of political turmoil. The change in administration will inevitably bring a new development plan, and while the specific content is yet to be seen, the goal of achieving low-carbon development is not expected to change.

Regardless of the specific plan guiding the country's development administration, entering the oil-production space raises valid concerns about our ability to simultaneously achieve

green development. These concerns are premised on the fact that Guyana continues to grapple with the environmental degradation that the mining sector leaves in its wake, even in the face of regulations. The mining industry in Guyana is primarily regulated by the Guyana Geology and Mines Commission, whose work is guided by a number of legislations and regulations, including the Mining Act, the EPA Act, the OSH Act, and a slew of Codes of Conduct and the mining regulations. Notwithstanding this, there has been limited success in addressing some of the major environmental impacts of mining in Guyana.

For example, we continue to struggle with eliminating the use of mercury in mining operations. Moreover, efforts at replanting mined-out areas have borne little fruit. Stabroek News reported on July 13, 2019 land reclamation has taken a backseat, despite being a legal requirement partially because the regulation places the responsibility on the miner to plan for the reclamation and lodge an environmental bond with the Commission. However, it is up to the miner and not the GGMC to use the bond for land reclamation.

Similarly, as a new oil-producing nation, we need to consider whether we fully appreciate the environmental consequences of offshore oil exploration and production at every stage of the process. Oil spills have been a reality in the region, and Guyana must adequately plan for responding to such a catastrophe in a way that minimizes environmental harm. Drawing from the lessons learned from mining, the costs of responding to oil spills and the other environmental harms needs to be adequately catered for in all agreements with oil companies when concessions are granted.

We must also anticipate harm to protected species from oil exploration and production activities. Local activists are calling for Guyanese protected species observers to properly study marine life activities, and the effects the increased activity and the movement of vessels in the area will have on these species. Exxon Mobil's EIA of the Payara Development Project states that the project "...is expected to pose only minor risks to the environmental and socioeconomic resources of Guyana..." (Stabroek News, November 8, 2019), including 1322 marine mammal detections and 15 species of marine mammals confirmed in the Stabroek Block, where the Payara project is situated. The planned measures to mitigate the impact on the marine fish and mammals include a slow start-up of operations to allow marine mammals to depart the area and the reduction of speed within 300 meters to allow for the passage of fish, turtles, and mammals when vessels are working in marine life areas (Stabroek News, November 8, 2019). Local activists, however, do not believe that these measures were sufficient and raised questions about the fact that all the data on marine life was being presented by foreign employees of the company who presented based on mere observations over a period and not data collection and research.

More importantly, when purporting to build this green state on an activity that is poten-

tially damaging to the environment in its production as well as use, even more, care must be taken to tackle those potential harms in a direct and comprehensive manner. In so doing, lessons can be drawn from Guyana's own past experiences with natural resource extraction, as well as best practices, learned from the experiences of other oil-producing states. In this stead, a number of initiatives have already been undertaken, or are in the process of being developed, to regulate the pending oil and gas sector.

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