



THE WORLD BANK AND THE GUYANA REDD-PLUS INVESTMENT FUND (GRIF)

FREQUENTLY ASKED QUESTIONS (FAQS) NOVEMBER 2011

What was the outcome of the last Steering Committee meeting of the GRIF? *Update*

The GRIF Steering Committee approved its first project on November 7, 2011 (by virtual vote): *Institutional Strengthening in Support of Guyana's Low Carbon Development Strategy (LCDS)* with the Inter-American Development Bank (IDB). The concept note for this project was approved on June 16, 2011. The World Bank as Trustee has issued the formal letter of financial commitment to the IDB and will transfer funds when requested by the IDB.

The Government of Guyana has established a website to communicate all project and GRIF related information: www.guyanareddfund.org.

What is the Guyana REDD-Plus Investment Fund (GRIF)?

The GRIF is a fund for the financing of activities identified under the Government of Guyana's Low Carbon Development Strategy (LCDS). The Government of Norway has committed to provide up to US\$250 million to the fund up to 2015, based on independent verifications of Guyana's deforestation and forest degradation rates and progress on REDD+ enabling activities.

What are the objectives of the GRIF?

Pending the creation of an international REDD+ mechanism, the GRIF represents an effort to create an innovative climate finance mechanism which balances national sovereignty over investment priorities with ensuring that REDD+ funds adhere to the financial, environmental and social safeguards of Partner Entities.

The GRIF will (i) receive payments for forest climate services provided by Guyana; and (ii) transfer these payments and any investment income earned on these payments, net of any administrative costs, to Partner Entities to carry out projects that support the implementation of Guyana's LCDS.

What is Guyana's Low-Carbon Development Strategy (LCDS)? The LCDS sets out Guyana's approach to transition to a green economy. Its stated aim is to combat climate change while simultaneously promoting economic growth and development. It sets out how Guyana's economy can be realigned along a low carbon development path, by investing payments received for avoided deforestation into strategic low carbon sectors. (www.lcds.gov.gy/)

What is the World Bank's role in the GRIF?

The World Bank acts as Trustee: it receives payments from donors, holds them in a trust fund and then transfers them to the Partner Entities responsible for carrying out the projects. The World Bank does not make decisions involving project funding. All funding decisions are made by a Steering Committee comprised of representatives of the Governments of Norway and Guyana. The World Bank as Trustee transfers funds to Partner Entities once projects are approved by Norway and Guyana and the Partner Entities have requested the funds.

The GRIF Partner Entities are the Inter-American Development Bank (IDB), United Nations Development Program (UNDP), and the World Bank. Partner Entities carry out projects if requested by Guyana and approved by the GRIF Steering Committee.

What is the organizational structure of the GRIF?

The GRIF has the following structure:

Steering Committee: (Norway and Guyana) – The governing body of the GRIF, chaired by Guyana, that reviews and approves projects. Guyana and Norway are the only voting members. The World Bank as Trustee, Partner Entities and civil society members participate as observers. The first Steering Committee meeting was held by videoconference on November 24, 2010.

Secretariat: Prepares operational manuals and procedures, facilitates Steering Committee meetings and decisions, processes project proposals, and manages public communication. As an interim solution, the Governments of Norway and Guyana will constitute the Secretariat and provide necessary administrative support to the Steering Committee for the operation of the GRIF.

Trustee: The World Bank's International Development Association (IDA) was invited by the Governments of Guyana and Norway to act as Trustee and will be responsible for providing financial intermediary services to the GRIF. The Trustee signs contribution agreements with donors, receives and holds GRIF funds, transfers funds to Partner Entities upon project approval by the Steering Committee and requests from the Partner Entities, and provides financial reporting.

Partner Entities: (IDB, UNDP and the World Bank) – Partner Entities submit projects to the Steering Committee for approval, receive funds and supervise projects according to their own fiduciary, social and environmental safeguards and operational policies and procedures, and report on implementation progress and results.

Implementing Entities: (Guyana Ministries or any other eligible entities according to Partner Entity policies and procedures) – Receive funds from the Partner Entities to implement projects. Partner Entities will enter into agreements with Implementing Entities, which will receive funds from the Partner Entities and be responsible for the implementation of the relevant project or activity. These may include the Government of Guyana or any other entity that is eligible for funding in accordance with the relevant policies, guidelines and procedures of the Partner Entity and approved by the Steering Committee.

What is the current status of the GRIF trust fund?

On July 18, 2011, the Trustee received the second installment of the GRIF from Norway in the amount of NOK 213 million (approx. US\$ 38 million). Approximately US\$63 million is available for funding decisions by the Steering Committee. Financial Reports from the Bank as GRIF Trustee are made available on the [Government of Guyana's GRIF website](#).

How are payments to be made by contributors to the GRIF determined?

A [Joint Concept Note](#) agreed between Guyana and the Norway sets out how Guyana is putting in place a Monitoring, Reporting and Verification (MRV) system for emission or removals of carbon from Guyana's forest sector. As this evolves, a number of basic interim indicators will be used to assess Guyana's performance. These are set out in the Joint Concept Note, and payment will be based on an independent verification of Guyana's implementation of REDD+ enabling activities. This verification is undertaken by the GRIF Contributors; the World Bank as Trustee has no role in this process.

Why is the World Bank involved as Trustee in the GRIF if it has no operational role?

The World Bank supports innovation and the search for new mechanisms to support global priorities such as climate change. We are pleased to support this pioneering initiative between Norway and Guyana by providing a well-tested platform as a financial intermediary. We expect that it will provide learning experiences in a challenging and evolving field – "REDD+" – which will go beyond Guyana and Norway to the wider international community.

What REDD+ performance indicators will be used to determine the payments to be made by contributors to the GRIF?

The World Bank as Trustee is not involved in the establishment or verification of performance indicators; these are agreed between Norway and Guyana.

How will the results of GRIF-funded projects be tracked?

The Partner Entities and GRIF Secretariat will track and report on results. The World Bank as Trustee does not report on project-level results. It reports only on the financial status of the fund.

How do safeguards apply to the activities and projects financed by the GRIF?

The social and environmental safeguards and operational policies and procedures of the organization serving as Partner Entity for a given project will apply for that project. For example, if the World Bank as Trustee transfers funds to IDB to implement a project, the policies and procedures of the IDB would apply.

Could GRIF funds be used to build infrastructure that will impact the forest?

GRIF funds could be used to finance any project that is included in Guyana's LCDS, is approved by the Steering Committee, and developed in compliance with the Partner Entity's safeguards and other policies.

Is there a mechanism to deal with grievances under the GRIF?

Yes, those of the Implementing Agencies as first point of contact followed by the processes established by each Partner Entity.

Who should I contact if I have questions about the GRIF?

The GRIF Secretariat should be the first point of contact for all general questions related to GRIF operations and governance.

Secretariat: Tomas De Staic: tomas_de_staic@hotmail.com
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Some Useful Links

GRIF Secretariat: <http://www.guyanareddfund.org>

GRIF Trustee: www.worldbank.org/grif

Guyana's LCDS: www.lcds.gov.gy/

Norway-Guyana Partnership: <http://www.lcds.gov.gy/guyana-norway-agreement.html>

The Government of Norway's International Climate and Forest Initiative:

<http://www.regjeringen.no/en/dep/md/Selected-topics/climate/the-government-of-norways-international-/why-a-climate-and-forest-initiative.html?id=547202>

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