



GUYANA LAYS OUT A PATH FOR SUSTAINABLE DEVELOPMENT: THE GREEN DEVELOPMENT STRATEGY

Guyana is a land of intrigue. It's the only English speaking country in South America. It's home to the world's largest single-drop waterfall, over four times as high as Niagara Falls. It's 80% covered with pristine, untouched rainforest.

But Guyana's story could soon have a significant twist, as recent discoveries of offshore oil and gas reserves are catapulting the country onto the global stage. Driven by billions of dollars investment from Exxon Mobil, the country has discovered over three billion barrels of oil: some estimate the country will earn \$5bn per annum by 2030.

For the 750,000 inhabitants of Guyana it's an inflection point. Many dream of what the oil find means for their nation. But many are wary of the resource curse and only have to look to their neighbour – Venezuela – to see what happens when oil wealth is squandered.

"Oil has historically generated wealth like few commodities can — but it's also recognised as a double-edge sword, one associated with the so-called resource curse that has marred the development of countries like Angola and Venezuela. In worried conversations across government ministries and offices in Georgetown, Guyanese are expressing worries they will be the curse's next victim"

— Foreign Policy Magazine, June 2019.

The resource curse – sometimes referred to as the “paradox of the plenty” – is the theory that countries with an abundance of natural resources tend to have lower economic growth, worse development outcomes, and are less democratic than countries with fewer natural resources.

Domination of commodity exports increases the exchange rate thereby hindering competitiveness of other industries, leading to over-reliance on the commodity sector which is inherently vulnerable to price volatility. This leads to lower economic growth, greater inequality and more absolute poverty. It can also lead to entrenched elites and higher levels of corruption as “easy resource revenues eliminate a critical link of accountability between government and citizens, by reducing incentives to tax other productive activity and use the revenue to deliver social services effectively” ([The Atlantic, April 2012](#))

Before Nigeria first produced oil in 1958 it was considered “the breadbasket of Africa”. Now, oil revenues account for 98% of earnings and Nigeria is the third largest economy in Africa yet 45% of the population live under the poverty line. The agriculture and manufacturing sectors were destroyed in place of oil.

The Government of Guyana , aware of the opportunities and challenges that the oil and gas reserves convey, has laid out a fifteen-year plan: [The Green State Development Strategy](#). The objective of the strategy is *to reorient and diversify Guyana's economy, reducing reliance on traditional sectors and opening up new sustainable income and investment opportunities in higher value adding and higher growth sectors.*



There are seven central themes:

1. Green and Inclusive Structural Transformation: Diversifying the economic base, accessing new markets and creating jobs for all
2. Sustainable Management of Natural Resources and Expansion of Environmental Services: stewardship of natural patrimony
3. Energy: transition to renewable energy and greater energy independence
4. Resilient Infrastructure and Spatial Development
5. Human Development and Well-being
6. Governance and Institutions
7. International Cooperation, Trade, and Investment

Within these buckets are specific initiatives, such as creating of a sovereign wealth fund for oil proceeds and investing in shared processing facilities for value-added processing of agricultural goods. While many of these are longer term projects, some are already in progress and will deliver more immediate results.

The energy efficiency project in Bartica, for example, includes the connection of a 20kWp grid connected solar photovoltaic system along with the installation of energy efficient lighting. The undertaking, implemented with the support of the Japan-Caribbean Climate Change Partnership, is only the beginning of a broader national plan that will help address energy security. This is part of the government's commitment to transitioning to the use of 100% renewable energy in public institutions by 2025.

A second initiative aims to protect the country's rainforest. After receiving funding from Norway to curb deforestation, the Guyana Forestry Commission developed a system for measuring the quantity of carbon stored by the country's forest and is now able to make educated decisions about which trees can be cut down with the least impact to the ecosystem. Guyana's annual rate of deforestation has dropped to 0.048%, one of the lowest figures in South America and well below the 0.275% average for tropical countries ([Bloomberg, May 2019](#))

We believe agriculture plays a critical role in the future economy of Guyana. It will help to ensure diversification and guarantee food security. Guyana has always been a land of farmers: with the fertile soils and generations of passed-down-knowledge, we cannot afford to let this critical industry disappear.

Pomeroon is playing its part in this new breath of life for the agriculture industry. We are:

- Introducing new, high-value crops such as tropical fruits and spices. These are exportable crops that have sustained demand in North America
- Building processing facilities that meet North American and European standards. These facilities will be used for our own in-house production as well as smallholder produce as part of our out-grower programme
- Improving the quality of domestic coconut production: we select better varieties that are more resistant to disease and have better yields
- Planting the largest coconut seedling nursery in the Caribbean to ensure safe and secure supply of seedstock for all farmers
- Investing in data-driven trials to find the next big crop that will drive agricultural exports

This thought-piece is published on the Pomeroon website [here](#)
