



PRESS RELEASE

APPOINTMENT OF NRF BOARD OF DIRECTORS WELCOME BUT GUYANESE DESERVE AN EXPLANATION

Policy Forum Guyana (PFG) welcomes the long-delayed appointment of the Board of Directors of the Natural Resources Fund (NRF). The continued absence of this Board has hampered formulation of the fundamental principles and practices which should guide the work of the Fund. Having the Board in place will hopefully usher in coherent, transparent and systemic decision-making in the extractive sector.

While welcoming the creation of the Board of Directors, the decision to do so and the manner of its announcement sustain the ‘where did this come from?’ moments that have characterized so much of decision-making in the oil and gas sector, starting with the controversial contract. This inexplicable approach impedes acceptance of decisions by a broad segment of the Guyanese population that ought to be routine.

Indeed, a case could be made that yet another dispute is being stoked by inclusion of two names that will dominate discussion and detract from the work of the Board. Guyanese will be taken aback, justifiably, that no explanation has been provided for inclusion of UK citizen David Lammy MP and the New York-based Guyanese diplomat Carolyn Rodrigues, currently Guyana’s representative to the United Nations.

Non-residence in Guyana is not in itself disqualifying. Non-resident appointments can be justified if they bring outstanding competence not available locally. Otherwise they simply expose the hollowness of the ‘local content’ mantra. However, in the case of two nominees, the residence issue is of less concern than the nature of their current occupations.

Mr. David Lammy is the Shadow Foreign Secretary in the UK Parliament who by virtue of his oath of office is committed to be loyal to the Queen and her successors. The extractive industries of Guyana – for example, mining, fisheries, forestry and petroleum - have historically served economic development of the industrialized world – the UK in particular. How Mr. Lammy MP intends to avoid a conflict of interest between sustaining this flow of benefits to the UK while also managing the NRF to ensure “*the present and future benefit of the people*’ of Guyana (opening statement of the Act) is a serious matter.

The substantive job of Ms. Carolyn Rodrigues at the United Nations is to promote the best interests of Guyana which, while ostensibly harmonizing well with “*the present and future benefit of the people*’ of Guyana, is also problematic. The reality of Guyana’s foreign policy nowadays in relation to the extractive sector is skewed by its focus on ‘prosperity’, prioritizing relations with the likes of the UAE, Qatar and other oil-rich States with disreputable human right records and a wholly irresponsible approach to squandering oil wealth. In contrast, her role on the NRF Board should encourage relations

with countries whose experience with extractive wealth is more in line with meeting Guyana's needs
- robust democracy, independence and transparency in the workings of the NRF.

Where Mr. Lammy may be challenged by relations with old exploiters, Ms. Rodrigues' challenge will be with new ones.

A final consideration relates to "*the wide experience and ability in legal, financial, administrative or business matters*" required of members of the Board of Directors (NRF 5.1). While both Mr. Lammy and Ms. Rodrigues would have some familiarity with all such matters in the course of their political and diplomatic careers, it takes a particularly narrow reading of the requirement to say they meet its full meaning.

Marginally meeting this provision is particularly noticeable in an Act which prioritizes requirements for other positions in the NRF in elaborate detail. Moreover, since the essence of the Board's role is to oversight investment decision-makers, this is not a small matter.

The engine-room of the NRF Act comprises an Investment Committee which advises the Minister; an Investment Advisor and investment Analyst who advise the Board; an Investment Services Advisory Company to assist the Board; Private Fund managers hired by the Governor of the Bank of Guyana; and 'Custodians' hired by the Bank of Guyana to oversight the Fund managers. The complexity and layers of authority set out in the Act seems tailor-made for mischief, challenging the capacities of those charged with oversight of the Fund even if resident 24/7 in Guyana.

That the Government did not seek to ensure broad-based support for its selection by providing Guyanese with an explanation is puzzling to say the least. Such disinterest reinforces the misplaced sense of entitlement which frequently characterizes official decision-making. Unfortunately, such attitudes further discourage qualified Guyanese (both in Guyana and the diaspora) from seeking to play a role in promoting the best interests of Guyana.

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