

The two sides of Guyana: a green champion and an oil producer

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Hey Short Wavers. Emily Kwong here with an encore of an episode we did about Guyana, a country grappling with the tension between the harms of climate change and the potential for wealth from oil. It's a tension we're seeing in countries all over the world. Stick around till the end and we'll update you on how things are going in Guyana today. You're listening to Short Wave from NPR. Reporter Camila Domonoske, Welcome to the podcast, dude.

Thank you so much for having me. I'm so excited to be here.

You're one of my favorites at NPR and all the time we say on this show that climate change is complicated and you just reported a story that is full of complications. You went to Guyana, a country on the Atlantic coast of South America and Exxon wants to step up its offshore oil drilling there off the coast. How did all that get started in Guyana?

Right, well, there was basically no oil industry in Guyana at all until Exxon discovered oil off the coast a few years ago and they discovered a lot of oil. So the country is getting into oil production in a big way at exactly the moment that around the world everyone's talking about the need to transition away from fossil fuels.

And as a business reporter, what do you make of that timing?

Yeah, I mean, I think what's so interesting here is that Guyana, more than most countries, is painfully aware of climate change, of the need to switch away from fossil fuels. I mean, when I was down in Guyana, we drove out east of the capital city, east and south and we went through farming communities where I talked to person after person whose home was flooded for months this summer literally underwater because of climate change.

And yet the country is staking this big bet on oil production, right? Because they're hoping that it's going to bring in a lot of money. And Guyana needs the money.

You spend three days in Guyana reporting on this tension. We're going to give that story a listen together right after the break.

Yeah, today on the show How one country is grappling with its role as a victim of climate change while it moves forward with drilling more oil.

I'm Emily Kwong,

and I'm Camila Domoneske,

and this is Short Wave, the Science podcast from NPR.

[중간 광고]

Most of Guyana's population lives beneath sea level on coastal lands drained by Dutch colonizers. They're protected by a thick sea wall that stretches for hundreds of miles. This seawall, just a few feet high in places, is a hangout spot. It offers a fresh breeze After another 90 degree day in the crowded capital city of Georgetown. Kids play, couples flirt, friends chat over beers. They're looking out over a murky brown ocean filled with sediment carried from deep in the Amazon. For Guianese singer Jackie Jacks, this muddy water means home and inspired a song.

Could I sing a little bit of the song? Brown boy, I want to hold you closer...

But for climate experts, Sian Hamer, this view inspires bleaker thoughts.

Some people would consider it scary.

Sea levels are rising even faster in Guyana than the global average. Already some high tides spill over this old seawall and Hamer has seen the worst-case climate models.

I do stand up and imagine that by the year 2100, all of this would possibly be gone

From the seawall, it's easy to see how climate change is affecting Guyana, but you have to look past the horizon to understand how Guyana is affecting climate change. Far inland, Guyana is covered in lush, well preserved rain forests. Because of those forests, it's actually one of very few countries that absorbs more greenhouse gases than it releases. But out at sea, the drill ships are at work. Guyana recently discovered it has a lot of oil and it's not planning to leave it in the ground.

We have a small window to get as much as possible out.

Bharrat Jagdeo is Guyana's Vice President. Jagdeo is the opposite of a climate denier. He's won awards for his climate advocacy but after years of asking the world to cut emissions rapidly, he's not optimistic.

It's not happening and we don't see that happening anytime soon.

By now, everyone acknowledges that the whole world's reliance on oil is driving devastating climate change. But oil demand keeps going up. So if the world isn't giving up oil, Jagdeo asks, why should Guyana give up its payday? He points out that other richer countries will keep drilling.

But those same countries will never give us a cent.

In the 2015 Paris Agreement, rich countries promised a 100 billion dollars a year to help developing countries fight climate change. That promise has not been kept. Guyana would have developed this oil either way. But given that broken promise, Jagdeo is frustrated that existing

producers keep pumping while groups like the International Energy Agency call for no new oil development.

There's nothing fair in this.

So Jagdeo hopes to ring out billions of dollars from the oil industry while the industry still lasts and use it to help Guyana develop. There are a few problems with this plan. For developing countries, oil cash typically makes an economy worse. It's called the resource curse. It can drive corruption and lead to damaging boom and bust cycles. On the other hand, Guyana might not make big money at all. The country's deal with Exxon is unusually favorable for Exxon. Vincent Adams, the former head of Guyana's EPA, criticizes the contract terms. He says his country just doesn't have the expertise to make sure it gets its fair share.

All kinds of games and shenanigans could be played and we have no way of monitoring and verifying.

Adams isn't the only one frustrated. Many ordinary Guyanese question if they'll ever benefit from the money. Others want the drilling to stop in the name of climate change but even some people you might expect to oppose the deal find themselves in a sort of murky middle like environmental activist Annette Arjune Martins. She's a conservationist and a pilot with a bird's eye view of how climate change is affecting Guyana. One indigenous community she worked with has already moved to higher ground.

So if you were to fly over the area where the thriving community once was, that is now half a kilometer in the sea.

She has lots to criticize about the oil deal. But as for stopping production entirely?

You know, look, if the First World countries would pay us to keep the oil in the ground and compensate us from what we would lose if we didn't extract it, well, that would be the ultimate fix for me as a Guyanese.

But as long as that's not an option, she says, Guyana needs the money. This ambivalence about oil production is widespread in Guyana. It's a mix of need, hope and skepticism. But one thing is clear climate change is already hitting Guyana and it's not just the ocean rising. Weather patterns are shifting, too. On his small household farm just east of Georgetown, Lakarum Ragonath points to where a papaya tree used to be. Then we arrive at a shriveled brown sapling. These floods drowned trees will take years to regrow.

What was that?

Beer.

And it's just totally dead.

Yeah, it cannot come back.

This spring, relentless rains caused the creeks to rise. Many houses and farms were already raised to cope with floods but it wasn't enough. Under feet of water, this area looked like a lake, one filled with rotting livestock and flooded homes and the waters stayed for three months. No one had ever seen anything like it.

I don't really know about climate change, but you can just see what is going on.

Raganooth looks down at the deeply cracked soil beneath his feet. Like many farmers here, he worries about the floods coming back. He plans to hire an excavator to raise his fields higher again. Raised fields, taller dams, higher sea walls. Guyana faces steep costs because of climate change. It did nothing to help cause and now it's joining the world's oil producers to see if adding to climate change pays off.

Wow, Camila, I have so many questions. (Hit me) What was Guyana's reputation before Exxon discovered oil, like when it came to greening their economy? How were they seen by the rest of the world?

They were literally a role model. I mean, I mentioned that Guyana captured more carbon than they released. It's called being a carbon sink and that's super rare, but also Bharrat Jagdeo, who you heard in that piece he actually negotiated this big groundbreaking agreement where Norway, which is very rich off of oil, actually paid Guyana for the carbon that was being captured in these preserved rainforests. The idea was that rich countries who had been emitting a lot of carbon sort of owed money for this, right? They could pay it to developing countries that were capturing carbon, and he won a big UN award for it. That deal was seen as a path that other developing countries could follow to develop but in a green, sustainable way.

Got it, got it.

But you know, Jagdeo today looks back on the deal with both pride and bitterness. Like, he's very proud that Guyana actually did manage to get paid for the carbonate captures, which was very unusual. But he's really furious that it was so hard to get what was ultimately not very much money. And I mean, for comparison, they were fighting to get five dollars a ton for all the carbon that was being captured by trees growing in Guyana, right? Meanwhile, rich countries are throwing money at research to high tech direct air capture technologies that do the same thing but they're willing to pay hundreds of dollars a ton for these experimental tech.

Yeah, I can see how that legitimate unfairness creates a deep sense of bitterness because it's like,

well, we're trying to abide by this global sensibility but it's actually hurting us in the end.

Yeah, and today the oil deal has already brought in more money than this big decade long deal with Norway ever did and oil production has barely started and Guyana has gotten a tiny sliver of the profits so far which just goes to show how phenomenally profitable oil and gas is right now. In the long term, it's not guaranteed how much money Guyana is actually going to make off this deal but certainly in the short term they've already made more money than they managed to secure through the forest.

Yeah, in dollars and cents. The economics are pretty clear which is more profitable for Guyana. Are we seeing this pattern in other developing countries?

Yeah, so it's Guyana is unusual in that it has at exactly this moment discovered so much of this fossil fuel resource. We have seen some other examples. Suriname right next door is in a similar boat. Mozambique in Africa, discovered natural gas. And you can also step back and sort of say big picture if you're talking about a trade-off between making money today and fighting climate change in the future. If you look around the planet, countries including big rich countries are choosing and have chosen money historically.

So how long does the Guyanese government think they will be drilling for oil?

This is the absolutely central question and there's so much writing on it not just for Guyana but for the world, right? If the planet stops consuming oil very quickly, if there's a rapid switch over to electric cars, if people are willing to use more bikes, public transit, huge investments in green energy, all the things that need to happen to fight climate change hypothetically you'd see a rapid decline in oil use and thus oil production. And Vice President Jagdeo says, look, if Guyana only drills for 10 years, that would be great news even though it's less money for Guyana, that would be great because it would mean the world has actually managed to stop climate change.

But does the Vice President of Guyana think that's going to happen that they'll only drill for 10 years?

He absolutely expects that Guyana is going to be drilling oil for a long time because he thinks that the world is going to continue to use oil for decades. And in Guyana, it's also very cheap to make oil. And so Jagdeo argues that once oil production does eventually peak and start to go down, your more expensive producers are going to get shut down first and Guyana might be the last one standing and will continue to pump oil even if demand is a lot smaller.

So they can make some money as the global, they can make a lot of money actually, as the world transitions away which will take time.

Right. And so that's why he talks about a window of opportunity. On the other hand, you have environmental activist to think that all of these oil resources that are getting built up in Guyana are going to be stranded assets in a few years when the world actually does rapidly reduce its oil use. And the question of who's right, I mean, I think that that's going to be the question of our lifetimes, Emily.

You said it. This is the question of our lifetimes like underline, exclamation point, bold it and when I think about, not to call you out, your trip, you took fossil fuels to get to Guyana, didn't you?

Oh yeah, I took two planes to get down there, two planes to get back. I drove around in an SUV.

It's the fabric of our world.

Talk to these farmers about how their livelihoods are being destroyed by the catastrophic climate change that is being fueled by our dependency on fossil fuels.

Well, Camila thanks for drawing some lines around these really complicated tensions by looking at one country that's dealing with them very, very intimately. It's been really interesting to talk about.

Thank you for having me.

Currently Guyana produces about 645,000 barrels of oil per day and in 2024 they expect to get around 2.4 billion dollars from oil exports and royalties. By contrast, they expect to sell 210 million in carbon credits this year.