

# *Protected Areas Trust*



*Annual Report 2014 - 2015*

## VISION STATEMENT

*Financing the management of Guyana's Protected Areas System  
for the benefit of current and future generations*

## MISSION STATEMENT

*To mobilise and allocate finances for the management of  
Guyana's Protected Areas System*



PHOTO CREDITS

PROTECTED AREAS COMMISSION  
TRUSTEE ANNETTE ARJOON-MARTINS

# FOREWORD FROM THE CHAIRMAN



It is with great pleasure that I write this Foreword as Chairman of the Board of Trustees (BoT) of the Protected Areas Trust (PAT).

The first year of the Trust has been an exciting and challenging one with the emphasis on transitioning from the BoT of the interim Conservation Trust Fund (CTF) (2011-2015) to the BoT of the PAT, the establishment of the PAT's governance and accountability structures and enabling mechanisms and the transfer of the invested funds to the PAT after all due diligence processes had been completed to the satisfaction of the BoT of the CTF, the Fund Administrator, the Donors, and the BoT of the PAT.

Appreciation is extended to the Board of the CTF, the Fund Advisers, Fund Administrator and the Donors for their cooperation and advice to the BoT of the PAT and its Secretariat throughout the process.

The BoT of the PAT will now focus on growing the endowment, prudently investing, maximizing on income from the investments and disbursing available income to support the work of the Protected Areas Commission in its management of the National Protected Areas System.

I commend the Executive Director and Staff for their diligent work and for the completion of this Annual Report.

A handwritten signature in blue ink, appearing to be 'Joseph Singh', written over a horizontal line.

Major General (retired) Joseph Singh  
Chairman, Board of Trustees, Protected Areas Trust

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# ACRONYMS & ABBREVIATIONS



BoT	Board of Trustees
CI	Conservation International
CTF	Conservation Trust Fund
GoG	Government of Guyana
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
IFC	International Finance Corporation
NPAS	National Protected Areas System
NTC	National Toshaos' Council
PA	Protected Area
PA Act, 2011	Protected Areas Act of 2011
PAC	Protected Areas Commission
PAT	Protected Areas Trust
PATF	Protected Areas Trust Fund

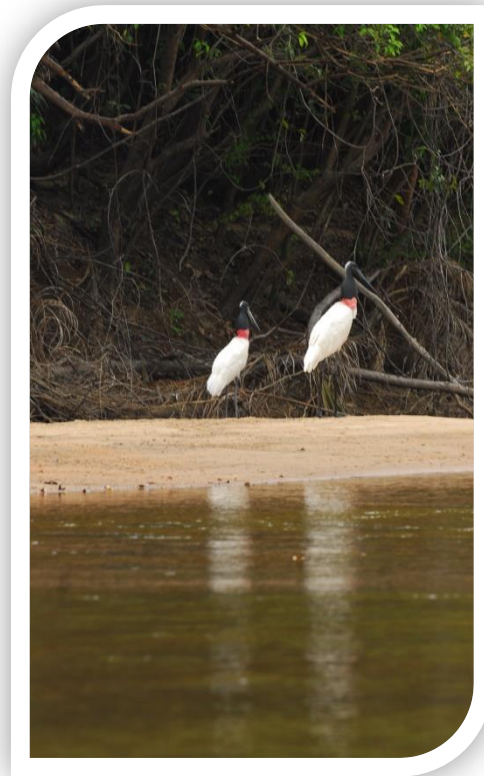
## 1. INTRODUCTION

### 1.1 PROTECTED AREAS TRUST FUNDS

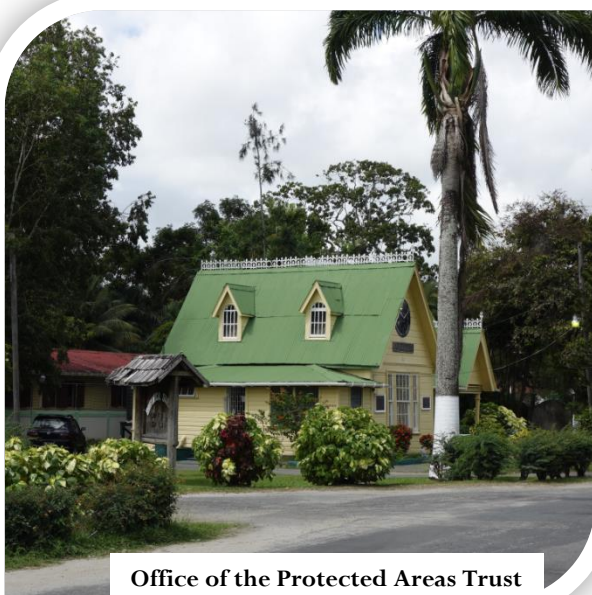
Protected Area Trust Funds (PATFs) are private, legally independent grant-making institutions that provide sustainable financing for biodiversity conservation and often finance part of the long-term management costs of a country's protected area (PA) system. They can serve as an effective means for mobilizing large amounts of additional funding for bio-diversity conservation from international donors, national governments and the private sector.

PATFs raise and invest funds to produce sustainable revenues to make grants to non-governmental organizations (NGOs), community based-organizations (CBOs) and governmental agencies (such as national parks agencies). They are financing mechanisms rather than implementing agencies.

PATFs can be characterized as public-private partnerships, and in most cases their governing boards are comprised of a majority of members from civil society. In addition to funding conservation projects, PATFs provide technical assistance and grants to strengthen the institutional capacity of grantees. PATFs have also served as catalysts for the creation of new partnerships with private businesses for the conservation and sustainable use of biological resources. Many PATFs also reduce threats to biodiversity by financing projects that improve and promote sustainable livelihoods of poor communities living near protected areas.



### 1.2 PROTECTED AREAS TRUST AND PROTECTED AREAS TRUST FUND OF GUYANA



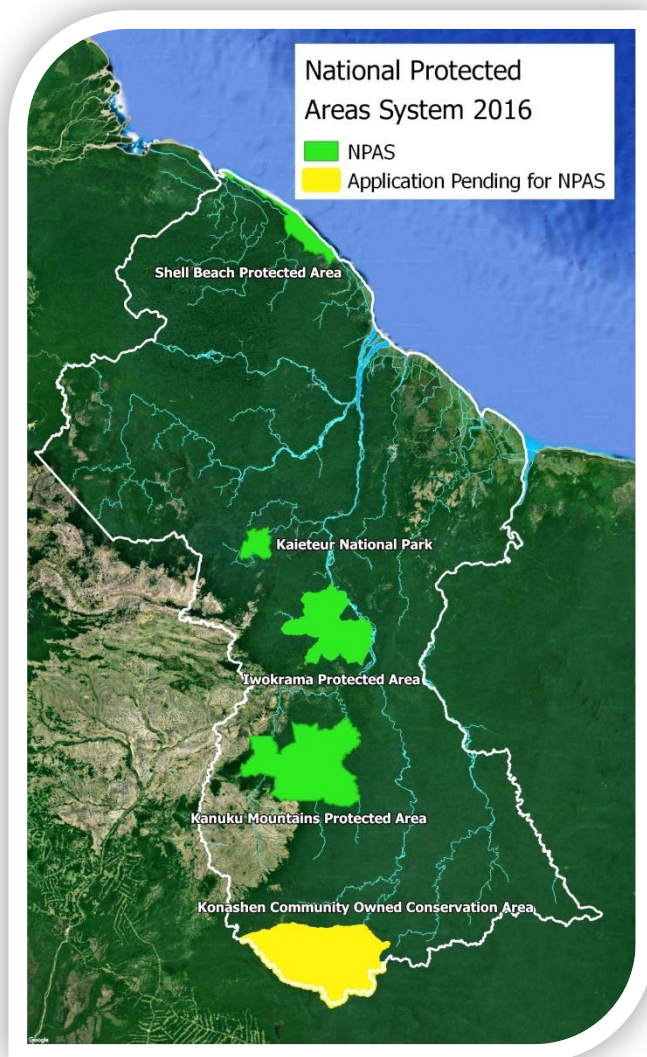
Office of the Protected Areas Trust

The Protected Areas Act (PA Act) of 2011 which was enacted by the Government of Guyana (GoG) and came into force by commencement order on November 1, 2011, provides the first national and legal framework for the Protected Areas Trust (PAT) and the Protected Areas Trust Fund (PATF). The PA Act, 2011 (Part VIII, Sections 88 and 89) established the PAT as a body corporate, independently governed and administered by a Board of Trustees (BoT). The PATF was set up to provide financing for the National System of Protected Areas (Part

IX, Section 101 (1)) and to support projects that contribute to or promote the conservation and preservation of the biological diversity and maintenance of the ecosystem services of the Protected Areas as defined in the PA Act.

The PATF will function primarily as an endowment fund, where the funds received will be invested in various secure international markets to ensure a steady and attractive rate of return competitive with similar trust funds. The revenue generated by these investments will then be used to: implement management plans, strengthen monitoring and enforcement in protected areas, support sustainable community enterprises, biodiversity conservation, and environmental education and awareness.

### 1.3 NATIONAL PROTECTED AREAS SYSTEM (NPAS)



**Map of the National Protected Areas System of Guyana**

provide for monitoring and management plans, park rangers, scientific research, community outreach, and education about natural heritage for the citizens of Guyana. If all annual operating costs of the PAC (given the current status of the NPAS) are to be covered from revenues from by the PAT, it will require capitalization of US \$40 million, of which US \$8.5 million has been acquired to date.

The establishment of a system of National Protected Areas enshrined in legislation provides for: the protection and conservation of Guyana's natural heritage and natural capital; the maintenance of ecosystems services of national and global importance; the fulfillment of Guyana's international environmental responsibilities; and, the participation of the public in protected areas conservation.

The PA Act 2011 provides the framework for the establishment and management of a national system of protected areas. The system is composed of the existing and new State protected areas, Amerindian Protected Areas, Private Protected Areas, and Urban Parks such as the Botanical Gardens and the Zoological Park. The NPAS constitutes the Kaieteur National Park, Botanical Gardens, Zoological Park, Shell Beach, Kanuku Mountains, and Amerindian protected areas as recognised by the PA Act.

The Act provided for the establishment of the Protected Areas Commission (PAC), whose functions are to provide policy guidance for protected areas, education and awareness, provide advice on financing and budgets, as well as an independently governed Protected Areas Trust (PAT) to provide financing for the system of protected areas. Funding will

## 1.4 ANNUAL REPORT OF THE PROTECTED AREAS TRUST

The Protected Areas Act, 2011, Section 109, requires that the Board of Trustees prepare an annual report for each financial year. This is PAT's first annual report and covers the period from the establishment of Regulations made under the Protected Areas Act No. 14 of 2011, to the appointment of the first Board of Trustees during 2014, to the complete establishment and operationalising of the PAT by the end of December 2015.

This annual report is prepared for the benefit of all stakeholders of the PAT and in accordance with Section 109 of the PA Act as identified above.

The PAT and PATF, even though founded by legislation in 2011, only began its establishment in 2014, with the creation of the *Protected Areas (Board of Trustees Additional Members) Regulations*, on January 10<sup>th</sup>, 2014, the appointment of the first Board of Trustees on July 7<sup>th</sup>, 2014, and the first Board meetings held on September 1<sup>st</sup> and 4<sup>th</sup>, 2014.

The formation of the PAT Secretariat to drive the setting up of the PAT and PATF actually began in 2015, with the recruitment of the Executive Director and support staff for the PAT Secretariat, and the acquisition of housing facilities for the Secretariat. The PAT and PATF were successfully established by the end of 2015, with the necessary support mechanisms in place to facilitate the complete transition of the Conservation Trust Fund (CTF) to the PAT. Assets of value US\$8.5M, which were invested by the CTF, a private Trust established in December 2011 as an interim financing mechanism until the PAT was fully established, were transferred to be managed by the PAT after the CTF's dissolution on October 31, 2015.

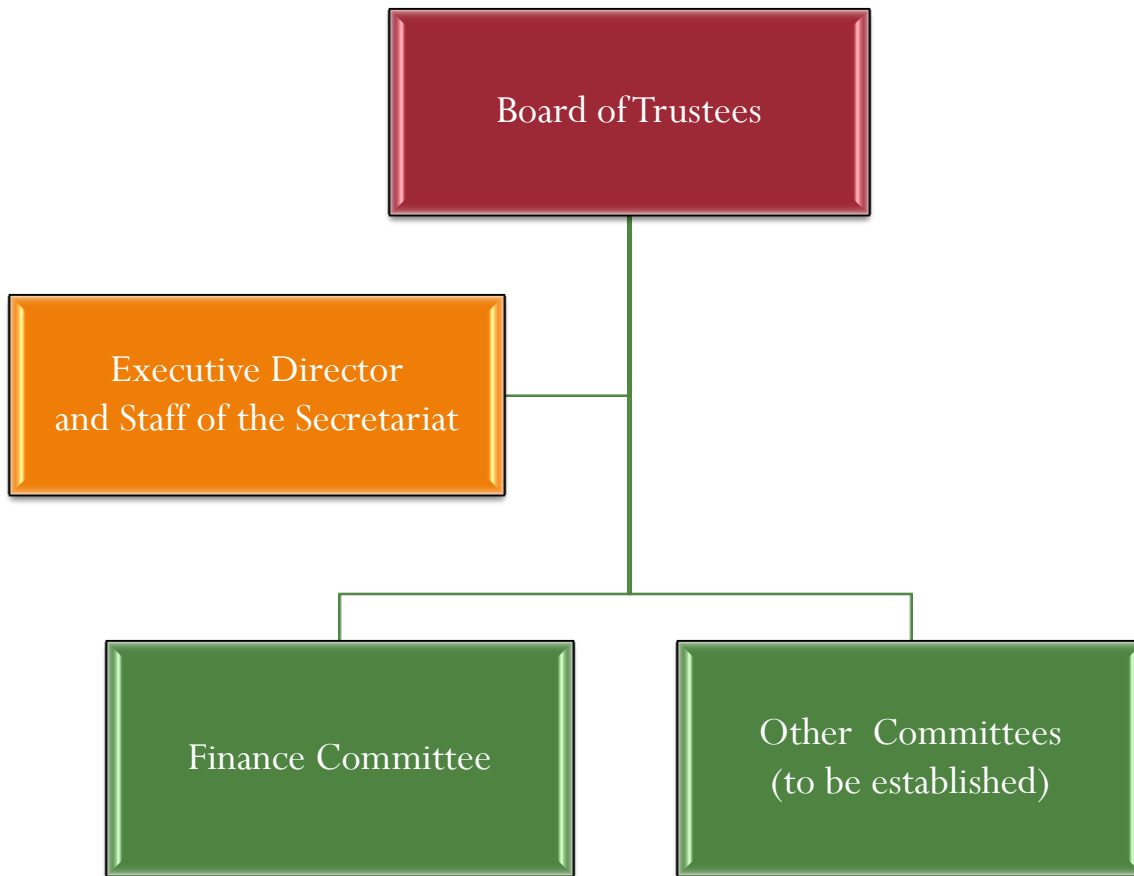
The Board of Trustees of the PAT, in keeping with its mandate set out in the PA Act, 2011 is committed to the investment of the endowment in a manner consistent with the investment policy of the PAT for the achievement of its objectives.





## 2. INSTITUTIONAL MANAGEMENT

### 2.1. ORGANISATIONAL STRUCTURE OF PAT



### 2.2. BOARD OF TRUSTEES

The PA Act 2011 provides for the creation of the Protected Areas Trust constituted as a body corporate. The PAT is governed and administered by a Board of Trustees (BoT) whose functions are to: a) manage the Trust, b) manage the investment of the Trust Fund, c) review requests for funding for the national protected areas, d) establish advisory committees and other formal or informal arrangements as necessary to carry out the functions of the Trust, e) make recommendations on matters within the scope of the PA Act 2011, provide guidance and support to the Executive Director of the Trust on programmes and operations, f) and, develop and periodically review the strategic plan as necessary.



**Chairman:**  
**Major General (retd) Joseph Singh**

The Board of Trustees could be comprised of a maximum of nine members. Membership includes individuals nominated by the private sector, government, the National Toshias Council, the University of Guyana, and major donors acting collectively to the fund. The *Protected Areas (Board of Trustees Additional Members) Regulations, 2014* provides for the appointment of three members to the Board, by the Board of Trustees.

Trustees are vested with the specific duty to invest and prudently manage the fund and to preserve the capital as far as reasonably possible.

The Act also circumscribes the rules for the financial management of the Trust, the appointment and removal of Trustees and the reporting obligations of the trustees.

The PAT's first Board of Trustees, comprising of six (6) members, was appointed with effect from July 7<sup>th</sup>, 2014. The Board of Trustees at the close of the fiscal year 2015 comprised the following members:

1. Major General (ret'd) Joseph Singh - Chairman (Government's nominee)
  2. Dr. David Singh – Vice-Chairman (Major Donor's nominee)
  3. Mr. Maurice Munro – Trustee/ Chair, Finance Committee (Government's nominee)
  4. Ms. Joycelyn Williams – Trustee (University of Guyana's nominee)
  5. Ms. Annette Arjoon - Martins – Trustee (Private Sector's nominee)
  6. Mr. Nicholas Fredericks – Trustee (National Toshias Council replacement nominee for Mr. Daniel Aguilar in October, 2015)
- Ms. Geeta Devi Singh – Executive Director, *ex officio* member, who serves as Secretary to the BoT.



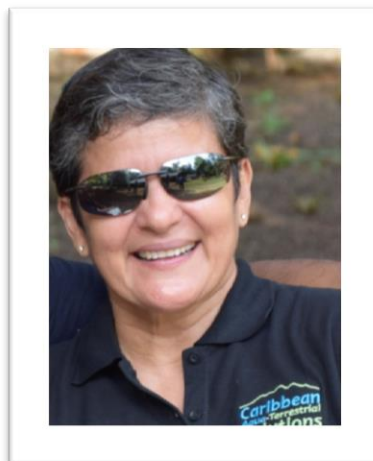
**Vice-Chairman: Dr. David Singh**



**Trustee and Chairman of Finance Committee: Mr. Maurice Munro**



**Trustee Joycelyn Williams**



**Trustee Annette Arjoons-Martin**



**Trustee Nicholas Fredericks**

### 2.3. FINANCE COMMITTEE

The Finance Committee was established by the Board of Trustees at the continuation of its first meeting held on September 4<sup>th</sup>, 2014. Its responsibilities include reviewing and recommending to the BoT:

- 1) policies and guidelines governing investments;
- 2) long-range financial plan;
- 3) annual budget;
- 4) fund administrators;
- 5) reports from independent investment advisers and managers and recommending changes in the portfolio;
- 6) performance of a fund administrator
- 7) annual investment performance;
- 8) monitoring the financial performance of the organization against approved budgets, long-term trends and industry benchmarks.



**Trustee and Chairman of Finance Committee  
Maurice Munro**



**Member of Finance Committee  
Dr. David Pollard**

Members of the Finance Committee include a Trustee of the BoT as the Chairperson and external experts with knowledge and expertise in finance.

The Finance Committee at the close of the fiscal year 2015 comprised the following members:

- Mr. Maurice Munro - Chair/Trustee
- Dr. David Pollard - External expert
- Mr. Richard Isava - External expert
- Ms. Geeta Devi Singh - Secretary



**Member of Finance Committee  
Richard Isava**

#### 2.4. SECRETARIAT STAFF

The PAT Secretariat is staffed by three (3) individuals: an Executive Director, an Administrative Assistant and an Accounts Assistant. The Executive Director is an *ex officio* member of the Board of Trustees who serves as Secretary to the Board. The Executive Director performs all duties incident to the Office of the Secretary and all such duties as assigned to the position of Executive Director by the Board of Trustees. The two (2) Assistants support the Executive Director in executing the functions of the Trust.



**Staff of the PAT Secretariat in December 2015**

*Left to right:* Ms. Samantha Thierens, Administrative Assistant, Ms. Efuah Armstrong, Accounts Assistant, Ms. Geeta Singh Ubaldo Espinosa, Executive Director

### 3. ACTIVITIES

#### 3.1. ESTABLISHMENT OF THE PAT'S GOVERNANCE AND ADMINISTRATIVE STRUCTURE

The years 2014 and 2015 saw the seed, the “Protected Areas Trust”, sown by the PA Act in 2011, and subsequent Regulations, sprout and grow from the appointment of the first Board of Trustees to the PAT, to the inauguration of the PAT at its first BoT Meeting, the establishment of a Finance Committee, the establishment of a Secretariat for the PAT, the complete transition from the CTF to the PAT, as well as the investment of funds by a Fund Administrator.



##### 3.1.1 PROTECTED AREAS (BOARD OF TRUSTEES ADDITIONAL MEMBERS) REGULATIONS

Regulations made under the Protected Areas Act No. 14 of 2011, the *Protected Areas (Board of Trustees Additional Members) Regulations*, on January 10<sup>th</sup>, 2014 were published in the Official Gazette of Guyana on February 1<sup>st</sup>, 2014. These Regulations provided the framework and the authority for the Board of Trustees to appoint three additional members to the BoT.

##### 3.1.2 APPOINTMENT OF BOARD OF TRUSTEES OF THE PAT

The appointment of the PAT's first Board of Trustees, with effect from July 7<sup>th</sup>, 2014 was recorded in the Official Gazette of Guyana on July 19<sup>th</sup>, 2014. The PAT was inaugurated at its first Board of Trustees meeting held on September 1<sup>st</sup>, 2014, with a continuation on September 4<sup>th</sup>, 2014.



**Board of Trustees at the inauguration of the PAT with Minister, MNRE (centre with tie) and Commissioner, PAC (extreme left) (September 1<sup>st</sup>, 2014)**

A six-member Board of Trustees was appointed to manage the PAT as a corporate body. The Trustees were nominated by the Government, the Private Sector Commission, the University of Guyana, the National Tshaos Council (NTC) and the major donors acting collectively.

At the first BoT Meeting, a Chairperson and Vice-Chairperson were elected.

In October, 2015, the nominated Trustee from the National Toshaos Council was replaced.

Meetings of the Board were set on a needs-be basis; as such, the Board held two (2) formal meetings for 2014 and six (6) for the fiscal year 2015.



### 3.1.3 ESTABLISHMENT OF THE FINANCE COMMITTEE

The Finance Committee was established by the Board of Trustees at the continuation of the BoT's first meeting held on September 4<sup>th</sup>, 2014, where its Chairperson was elected as Trustee Munro.

In March 2015, the Terms of Reference for PAT's Finance Committee were finalized, and the membership of the Committee was established with Trustee Maurice Munro to serve as the Chairman, and Dr. David Pollard and Mr. Richard Isava, as members.



### 3.1.4 INSTITUTIONAL STRENGTHENING OF PAT SECRETARIAT THROUGH RECRUITMENT OF EXECUTIVE DIRECTOR AND OTHER STAFF

The PAT Secretariat was established with the recruitment of an Executive Director in January 2015, and strengthened with recruitment of support staff, an Accounts Assistant and an Administrative Assistant, during the first half of 2015.

### 3.1.5 ESTABLISHMENT OF THE OFFICE FOR PAT SECRETARIAT

In January 2015, the Office of the Protected Areas Trust Secretariat was established at the Jenman's Building in the Botanical Gardens by a Memorandum of Understanding signed between the PAT and the PAC for the occupancy of the building.



## 3.2. ESTABLISHMENT OF GOVERNANCE SYSTEMS

### 3.2.1. OPERATIONS MANUAL

During the first quarter of 2015, the PAT pursued the development of its Operations Manual, by adopting and modifying the Operations Manual of the CTF. On April 29<sup>th</sup>, 2015, the Board of Trustees approved PAT's Operations Manual.



### 3.2.2. INVESTMENT POLICY STATEMENT

On April 29<sup>th</sup>, 2015, the Board of Trustees approved PAT's Investment Policy and Policy Statement, documents which were adopted from the CTF.

In December 2015, the Finance Committee began a review of PAT's Investment Policy Statement.



## 3.3. ESTABLISHMENT OF PAT'S LOCAL AND FOREIGN BANK ACCOUNTS

During the second quarter of 2015, the PAT set up local and foreign bank accounts with the Bank of Nova Scotia.

## 3.4. ESTABLISHMENT OF THE PATF FRAMEWORK AND CAPITALISATION OF THE FUND

2015 saw earnest efforts to fully establish the Protected Areas Trust Fund and to capitalize the Fund. Numerous activities which included setting up the accounts for investment with a Fund Administrator, applying for US tax exempt status for investment, and obtaining a legal opinion for same, to working out grant agreements with major donors to receive their no-objections for the transfer of funds of funds took place. All were successfully accomplished by the end of 2015.



## 3.5. TRANSITION FROM THE CTF TO THE PAT

While the transition from the CTF to the PAT was accomplished in 2015; the process for this transition began with the creation of the CTF. Having recognized the need to secure already committed financing for the management of the protected areas in the absence of a national trust fund enshrined in statute, the Government of Guyana and Conservation International-Guyana partnered to establish the CTF as an interim vehicle to secure financing while awaiting the full



institutionalization of the PAT. The CTF was established in December, 2011 by Deed of Trust and with a governance structure similar to that prescribed by the PA Act 2011 for the PAT.

The Government and major donors along with the institutional representatives on the CTF Board had agreed that when the necessary steps would have been completed for the establishment of the PAT, the staff, assets, systems, and procedures of the CTF will be transferred over to the PAT. The CTF dissolved on October 31st, 2015, satisfied that the PAT was fully established and operating to the satisfaction of the CTF and donors.

The CTF had secured funding from two donors: EURO \$4M (US\$5M) from Kreditanstalt für Wiederaufbau, KfW, (German Development Bank), and US\$3.5M from Conservation International's (CI) Global Conservation Fund.

Funds from the KfW have been provided under the terms and conditions that have been set forth under the overarching agreement with the Government of Guyana under GPAS Phase II: BMZ-ID 2008 65 444. Funds from CI have been provided under the terms and conditions that have been set forth under the grant agreement with the CTF dated June 28, 2012.

During the final quarter of 2015, funds provided by these Institutions and invested by the CTF were transferred to be managed by the PAT.

### 3.6. INVESTMENT OF THE ENDOWMENT FUND IN ACCORDANCE WITH THE INVESTMENT POLICY

The PAT Investment Policy, which was adopted from the CTF's Investment Policy, serves as the framework for the management of the fund and stipulates the guidelines for investment of the PAT. As is stated within the Policy, the purpose of the PATF was to preserve the capital while investing globally to earn annual returns of approximately 5%. Union Bank of Switzerland (UBS Financial Services) which was selected as the fund administrator for the CTF and provided consultation for global investment was also retained as the fund administrator for the PAT. The invested assets by the CTF, which was transferred to the PATF in the latter quarter of 2015, were re-invested with the UBS.





### 3.7. ASSESSMENT OF THE PAT BY THE IFC

An assessment of the PAT as a recipient of funds for biodiversity conservation through management of offset from International Finance Corporation (IFC) investments in Guyana began during the final quarter of 2015 by the IFC, a member of the World Bank Group.



### 3.8. GOVERNMENT OF GUYANA'S INTENDED CONTRIBUTION TO THE PATF

The Government of Guyana had promised to commit USD\$10M to the PATF when it was launched in September, 2014. During 2015, the PAT diligently pursued the Government of Guyana to maintain its commitment to the Trust Fund.

### 3.9. INDEPENDENT AUDIT REVIEW OF PAT'S ACCOUNTS

An internal audit review of the PAT was conducted during June, 2015. Further, the PA Act, 2011, Section 108, requires that the Board of Trustees appoint a reputable external independent auditor to audit the accounts of the Trust annually. In December 2015, the PAT engaged the services of TSD Lal and Co. to conduct its first audit for the financial year ending December 31<sup>st</sup>, 2015. A copy of their audited financial statements forms part of this Annual Report.



## 4. PREVIEW OF 2016 FISCAL YEAR OBJECTIVES

The fiscal year objectives for PAT for 2016 are summarized below:-

1. Develop Strategic Plan for the PAT supporting Guyana's Protected Areas Systems.
2. Invest endowment fund in accordance with the Investment Policy.
3. Develop and implement strong (diverse and innovative) fundraising plan.
4. Develop and implement a communications strategy for the Trust Fund to increase its global, regional and national awareness.
5. Implement agile and transparent grant-making process
6. Strengthen the capacity of Trust Fund's board members and staff on issues related to PA systems and management, social and economic issues in conservation, communications and fundraising skills, and management of conservation trust funds.

## 5. INDEPENDENT AUDITOR'S REPORT

