

Guyana Forestry Commission

ANNUAL REPORT 2010



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Acronyms

<i>ACF</i>	-	Assistant Commissioner of Forests
<i>AFPA</i>	-	Agriculture and Forest Producers Association
<i>CI</i>	-	Conservation International
<i>COP</i>	-	Code of Practice for Forestry Operations
<i>DCOF</i>	-	Deputy Commissioner of Forests
<i>DFO</i>	-	Divisional Forest Officer
<i>EPA</i>	-	Environmental Protection Agency
<i>FAO</i>	-	Food and Agriculture Organization of the United Nations
<i>FCPF</i>	-	Forest Carbon Partnership Facility
<i>FI</i>	-	Forest Inspector
<i>FLEGT</i>	-	Forest Law Enforcement Governance and Trade (of the EU)
<i>FRMD</i>	-	Forests Resource Management Division
<i>FRP</i>	-	Forest Resources Planning
<i>FRIU</i>	-	Forest Resources Information Unit
<i>GI</i>	-	Grading Inspector
<i>GFC</i>	-	Guyana Forestry Commission
<i>IDA</i>	-	International Development Assistance
<i>IDB</i>	-	Inter American Development Bank
<i>ITTO</i>	-	International Tropical Timber Organization
<i>KfW</i>	-	German Development Bank
<i>LACFC</i>	-	Latin American and Caribbean Forestry Commission
<i>MRVS</i>	-	Monitoring, Reporting and Verification System for REDD+
<i>NFP</i>	-	National Forestry Programme, of the FAO
<i>PDD</i>	-	Planning and Development Division, GFC
<i>PSP</i>	-	Permanent Sampling Plot
<i>REDDES</i>	-	Reducing Emissions form Deforestation and Forest Degradation and Environmental Services
<i>SFEP</i>	-	State Forest Exploratory Permit
<i>SFP</i>	-	State Forest Permission
<i>SFM</i>	-	Sustainable Forest Management
<i>SLA</i>	-	Small Loggers Association
<i>TSA</i>	-	Timber Sales Agreement
<i>WCL</i>	-	Wood Cutting Lease
<i>WWF</i>	-	World Wildlife Fund

LIST OF DIRECTORS FOR 2010

Chairman:	Mr. Raj Singh
Commissioner of Forests:	Mr. James Singh
Director:	Mr. Andrew Bishop
Director:	Ms. Prema Ramanah
Director:	Ms. Geeta Singh
Director:	Dr. Patrick Chesney
Director:	Ms. Vanessa Benn
Director:	Mr. Ovid Williams
Director:	Mr. Evan Persaud

Commissioner's Message

The forest sector demonstrates strong recovery in 2010, with high levels of production and export. This was indeed very commendable and we must congratulate our stakeholders for their perseverance and optimistic outlook.

The Minister, Board of Directors and our hardworking staff must also be complimented on their guidance and sterling support which contributed to Guyana Forestry Commission (GFC) achieving in excess of 90% of its Annual workplan activities.

Work was intensified in areas such as Forest Carbon Stock/Forest Areas Change Assessment; these were new thematic areas but GFC was able to successfully address the many challenges that these posed.

As the GFC goes into 2011, we are confident of ensuring that with the continued collaboration of stakeholders, 2011 will also be successful year for us.

James Singh
Commissioner of Forests

Executive Summary

The Guyana Forestry Commission (GFC) is the semi-autonomous Government of Guyana Agency which was established in 1979 to ensure the sustainable management and utilization of the state forest resources.

The GFC is given guidance at the policy level by the Minister of Agriculture with responsibility for Forestry, a Board of Directors, and key policy documents including: GFC Act, Forests Act, National Forest Policy, Guyana's Low Carbon Development Strategy, and the National Competitiveness Strategy.

At the operational level, the GFC is guided by an annual work plan and budget which is implemented by the staff of the Commission, with Board oversight.

To ensure efficient and effective work plan implementation, the GFC has five (5) well staffed and resourced Divisions, with a Commissioner of Forests as the Chief Executive Officer.

Total production for the year 2010 was 463,155m³ (13% increase over 2009 figures); exports of forest produce were significantly more than 2009 figures, being US\$49M (compared to US\$45.5M).

This indicates that the markets have shown some recovery from financial and other external projects.

A brief overview of key project activities done over 2010 is also provided in addition to a brief summary of the routine activities.

Brief Overview of the Commission/Organizational Chart:

Commissioner of Forests – The Commissioner is responsible for the overall management of the Guyana Forestry Commission.

Internal Audit - The GFC Internal Audit Unit performs Systems/Operational and Financial Audits in the form of Independent investigative activities designed to assist the GFC accomplish its objectives through a systematic approach to evaluate and improve the effectiveness of control, risk management and the governance process.

Finance Division - Responsible for managing the financial resources of the commission, provide service to other departments as well as act as a liaison forum for stakeholders.

Management Information Systems - Is responsible for Improved Data Communication between both Internal and External Stakeholders, Maintaining reliability, security and availability of information that are accessed throughout GFC. Increased data accuracy, productivity and processing speed/capabilities. Develop end-user reporting capabilities and train staff in new technological advancements/developments.

Planning & Development Division - Is responsible for the implementation of the National Forest Plan, conducting economic studies and other relevant studies on the forest sector, reporting on forest sector information and coordinating GFC's social development programme. It also formulates project proposals and seeks funding for projects developed. Project activities that are approved and financed are implemented by this Division..

Forest Monitoring Division - Is responsible for the enforcement of the forest laws and regulations, monitoring and control of environmental and social impact of operations within the state forest and collection of revenue. Is also responsible for processing export documents (with forest produce), quality control and promote forest products, review and assist in enquires in relation to lumber and logs.

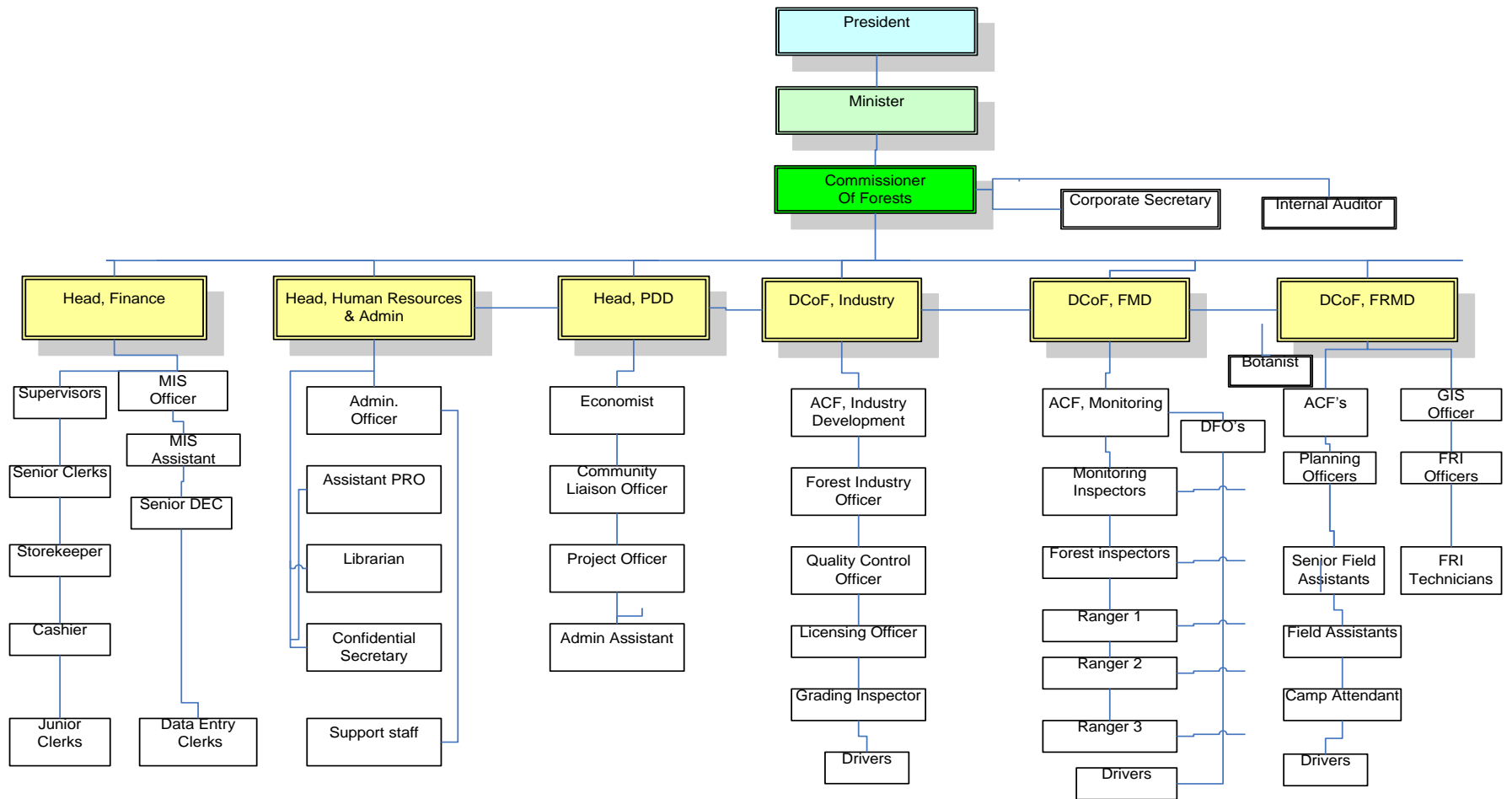
Forest Resource Management Division - Responsible for data collection on national forest resource, conducting surveys and inventories, researching and making recommendations on forest dynamics and silviculture, planning and recommending the allocation of concession areas, preparing operational guidelines for forest management planning, evaluating management and operational plans, prescribing standards for forest management and providing support for forestry extensions. Responsible for building a GIS capacity, developing a database of digital geographical data and provide a service to both external & internal stakeholders.

A **herbarium** is available for public use and has a collection of wood samples and plant specimens (these are sold at a cost recovery basis).

Human Resources & Administration- Responsible for staff management, development and implementation of human resource policies and procedures, education, training, including in service training and liaison with relevant teaching and training institutions. Also responsible for maintenance of GFC assets, implementation of health and safety policies and security issues.

A **library** has been opened for public use and is stocked with research findings, and journals on issues on the local and international arenas.

GFC ORGANIZATIONAL CHART



Financial Statement

GUYANA FORESTRY COMMISSION

Balance Sheet as at 31st December 2010

	Note	2010 G\$	2010 G\$	2009 G\$	2009 G\$
Assets	5				
Fixed Assets			537,646,917		514,395,938
Current Assets					
Stocks		3,410,199		3,918,596	
Accounts Receivable		91,806,625		111,793,935	
Other Debtors & Prepayments		32,644,794		39,599,014	
Loose Tools		118,770		118,770	
Cash on Hand & Bank		886,646,001		856,731,042	
Current Assets			1,014,626,389		1,012,161,357
Less					
Current Liabilities					
Creditors & Accruals		30,191,040		26,633,974	
Taxation		1,125,915,828		1,072,774,800	
Suspense A/C		232,432		124,425	
Total Current Liabilities			1,156,339,300		1,099,533,199
Net Current Asset			(141,712,911)		(87,371,842)
Assets less Liabilities			395,934,006		427,024,096
Represented By:					
Capital and Reserves					
Government of Guyana			7,653,712		7,653,712
Revaluation Reserve			321,145,906		321,145,906
Capital Donation Reserve			-		-
Accumulated Earnings			67,134,388		98,224,478
			395,934,006		427,024,096

Prepared By: Edward Goberdhan - Head of Finance 

Approved By: James Singh - Commissioner of Forests 

GUYANA FORESTRY COMMISSION
Income & Expenditure Statement
For the Year Ended 31st December 2010 (DRAFT)

Income	Note	2010	2010	2009	2009
	6	\$	\$	\$	\$
Royalty		237,135,016		232,771,203	
Acreage Fees		99,347,616		113,242,232	
Licence Fees & Fines		117,545,054		101,891,191	
Commission		424,490,766		224,148,712	
Miscellaneous		10,715,834		9,310,227	
Interest Income		-		2,149,940	
Gain on Disposal of Fixed Assets		-		-	
Other Income - Donation		-		-	
Other Income - Grant		-		33,262,605	
Total Income			889,234,286		716,776,110
Expenditure	7				
Employment		275,985,108		226,674,895	
Operational		245,366,918		191,397,837	
Administrative		105,020,999		79,465,474	
Repairs & Maintenance		85,467,944		79,126,913	
Financing		1,076,864		1,218,864	
Professional Fees		57,028,155		85,547,042	
Depreciation	5	64,237,360		52,841,525	
Provision for Bad Debts		-		-	
Miscellaneous		-		-	
Total Expenditure			834,183,348		716,272,550
Net Operating Income			55,050,938		503,560
Taxation			(53,141,028)		(29,895,521)
Net Income for the Year			1,909,910		(29,391,961)
Statement of					
Accumulated Earnings/(Losses)					
At 1st January 2010			98,224,478		158,616,439
Net Income for Year			1,909,910		(29,391,961)
Payment to EPA			(33,000,000)		(31,000,000)
			-		-
At 31st December 2010			67,134,388		98,224,478

GUYANA FORESTRY COMMISSION

**Statement of Cash Flows
For the Year Ended 31st December 2010 (DRAFT)**

	Year 2010 G\$	Year 2010 G\$
Net Operating Profit/(Loss)from normal operating Activities		55,050,938
<i>Adjustment to Reconcile Operating Profit to Cash</i>		
Add:		
Depreciation	64,237,361	
Profit on Disposal	-	
	-	
Sub Total	64,237,361	
ADD/LESS:		
Transfer of Funds to NICIL	(33,000,000)	
Adjustment to Revenue Reserve	-	
Increase/(Decrease) in Creditors	3,557,066	
(Increase)/Decrease in Stocks	508,397	
(Increase)/Decrease in Other Debtors	6,954,220	
(Increase)/Decrease in Accounts Receivable	19,987,310	
(Increase)in Loose Tools	-	
(Decrease)/Increase in Suspense	107,987	
Sub Total	(1,885,020)	
Total Adjustments		62,352,341
<i>Net Cash Inflow from Operating Activities</i>		117,403,279
Investing Activities		
Acquisition of Fixed Assets	(87,488,339)	
Capital Donation	-	
Proceeds/Cost from Disposal	-	
<i>Net Cash Flows Used For Investing Activities</i>		(87,488,339)
Financing Activities		
Write off from Capital Donation Reserve		-
Net Increase/(Decrease)in Cash/Bank		29,914,959
Cash on Hand 01.01.2010		856,731,042
Cash/Bank Increase for Year 2010		29,914,959
Cash on Hand & Bank 31.12.2010		886,646,001

HUMAN RESOURCES MANAGEMENT

Staffing

In 2010 our staffs were distributed among the five departments as follows:

	2009	2010
Department	Number of staff	Number of staff
Forest Monitoring Division	165	200
Forest Resources Management Division	40	39
Planning Development Division/REDD	6	6/3
Human Resources & Administration	31	25
Finance & MIS	21	26
Forest Products Marketing Council/REDD	3	0
Total	266	299

Recruitment

The table below shows the breakdown of **recruitment** for 2010 as against two previous years.

Category of Recruits	2008	2009	2010
Middle Management positions	3	1	2
Management Trainees	12	7	13
Forest Rangers	34	36	50
Field Assistants	9	8	4
Clerks	3	6	11
Drivers	8	5	7
Other staff	5	7	3
Total	74	70	90

It can be seen from the figures above that the greatest needs are for the Rangers and Field Assistants who come from the GSA.

Attrition

2010 had a higher attrition rate than 2009.

Type of Separation	2009	2010
Resignations	18	21
Voluntary terminations	8	5
Dismissals	9	12
Termination of contracts	1	0
Deaths	0	0
Total	36	38

The highest turnover was amongst rangers, many of whom were dismissed for cause; drivers for mismanagement of vehicles; and graduates in the Management Trainee programme who either migrated or left for other agencies.

Staff Development

Scholarships

The GFC Board awarded two scholarships in 2010 for an Assistant Commissioner of Forests to pursue an MSc Degree in Environmental Forestry at the University of Bangor in Wales and for the Corporate Secretary to start the CLE Law degree in Trinidad which is a two years programme. Mr. Tasreef Khan has resumed his position as DCoF in the FMD after completing his MSc.

Towards the end of the year, a decision was made to send most of the previous GSA scholarship awardees, all of whom has finished a year of service with GFC, back to hinterland communities. They will assist those involved in logging to follow the correct procedures and are to be given office space by the Village Council.

Mr. Benny Layne has now entered his final year at UG. Two staff members Dianna Hercules and Leroy Wilson have proceeded on a Cyprus Forestry College Diploma scholarship (two Years) and are bonded by both the PSM and GFC.

Currently there are 6 students from hinterland communities on scholarship at GSA, Mon Repos and Essequibo campus. They are pursuing the certificate in Forestry programme.

Overseas Seminars

A large number of middle managers were exposed to overseas training in 2010.

Names	Names of courses	Duration of courses	Country
Romayne Atkinson Haimwant Persaud Junior Toney	Forest Training Remote Sensing Deforestation	4-15 th Oct 2010	Brazil
Darshini Rampersaud	Intensive Landscape Measurement	12-17 th Sept	New Jersey, USA
Hansrajie Sukhdeo	2010 FIA Symposium	3 rd -9 th Oct	Tennessee, USA
Chetram Ramgobind	Economic Development	2 weeks	China
Simone Benn Nasheta Dewnauth	Strategic Environmental & Social Assessment	18 th -20 th Oct	Argentina
Rawle Lewis	Inventory Symposium	4 th -8 th Oct	Knoxville, USA
Quacy Bremner	Proforest Summer Training	5 th -9 th July	London, England

In-house training in 2010.

Name of Course	Number in attendance
Ranger 3 and field assistants	54
Middle management training	20
Timber grading	45
Induction programme	88
EIA Community training	45
HIV	50
Building Capacity FMD	200
Remote sensing	8
Ranger 1 Supervisory	18

Highlights of Changes and Major Achievements

In 2010, eighteen rangers were promoted to be supervisors (Ranger 1) after they performed creditably at a three days of intensive supervisory training programme. Three (3) officers were promoted to be Forest Inspectors. One Planning Officer was promoted to ACF in the FRMD while the 3 ACF's acted for 4 months each in the FMD until the substantive Deputy Commissioner returned after completing his post-graduate studies.

INDUSTRIAL RELATIONS

During the year we continued to enjoy very cordial relations with the union representing the workers-GAWU. All disputes were resolved internally and towards the end of the year we compiled a memorandum of agreement to increase salaries and a few fringes. The Union also chose to increase its union dues for its membership.

Overview of Main Areas of Work of the Planning and Development Division

1. *Report on the performance of the Forest Sector*

Production, Exports, Prices, Employment, Land Allocation and Licenses

The forest sector showed strong performance in 2010.

For 2010, production and export levels have indicated favourable overall performance of the forest sector. Production volume of Logs, Lumber, Roundwood, Sawnwood, Splitwood, Fuelwood and Plywood have performed well for the majority of months over the 2010 period and has recorded production above the 2009 total of 408,284m³ with a 2010 total of approximately 463,155m³. This represents a 13% increase over the prevailing level of 2009. There was no Plywood production for October to December of 2010 owing to damage of the boiler at the Barama Plywood plant, but this has not impacted on the overall total in any notable way as the other forest products satisfactorily covered the gap created.

Export volumes of timber and plywood for 2010¹ (163,500m³) have also increased over the 2009 total by 33%. Export value for 2010 was US\$49M and represented an increase over the 2009 (which was US\$45.5M) total by US\$3.6M (or 7%).

Export Prices for forest produce have shown overall strong performance with increases seen in added value categories. For Guyana's forest products export, the Sawnwood category reflected an increase of approximately 10% over the prevailing average price levels at 2009, in both the dressed and undressed sub categories (7.31% increase and 9.12% increase respectively). Roundwood recorded a positive average price trend with a 12% increase over the 2009 level. Additionally, Splitwood and Plywood both recorded average export price levels increase of 12.45% and 3.41% respectively. Logs on the other hand, recorded a small average price decline of 5%. This was mainly on account of a wider range of log species being exported, many recorded in the lesser utilized wood species category, that attract a somewhat lower level of export prices as compared to prime species as they are now gaining market acceptance.

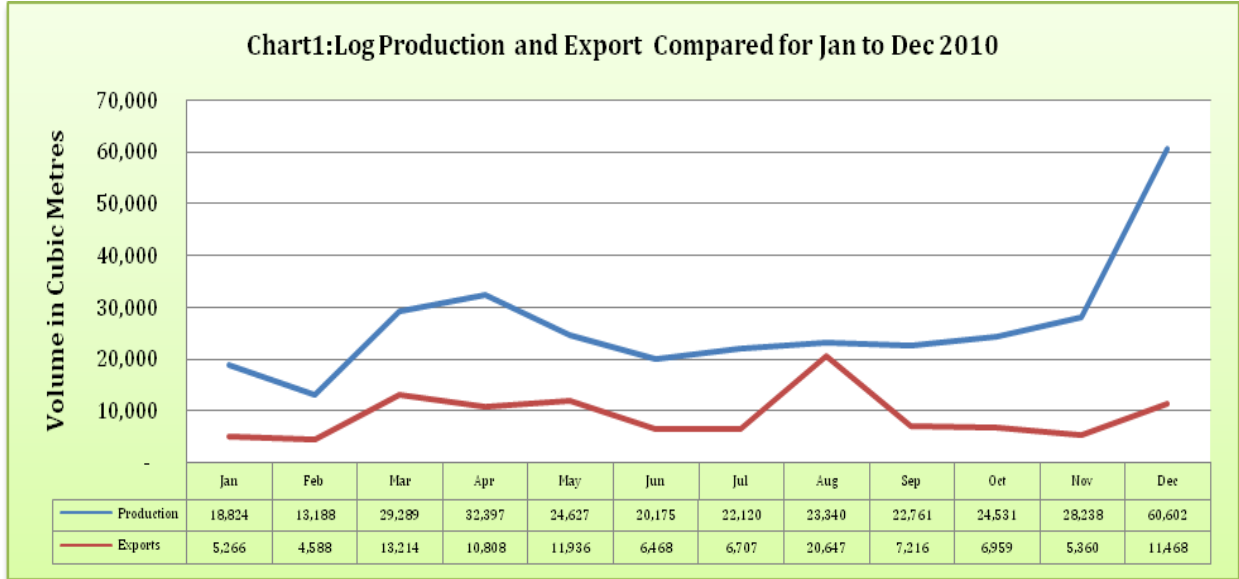
Overall, the forest sector remains robust in the face of a recovering international market and other external challenges. Strong support by the Government has, among other factors, contributed to the cushioning of the effects of the international crisis, from having a negative effect on the forest sector.

¹ Ibid

The strong forest sector performance is expected to be further strengthened in 2011. A breakdown of production and export statistics is presented in this section.

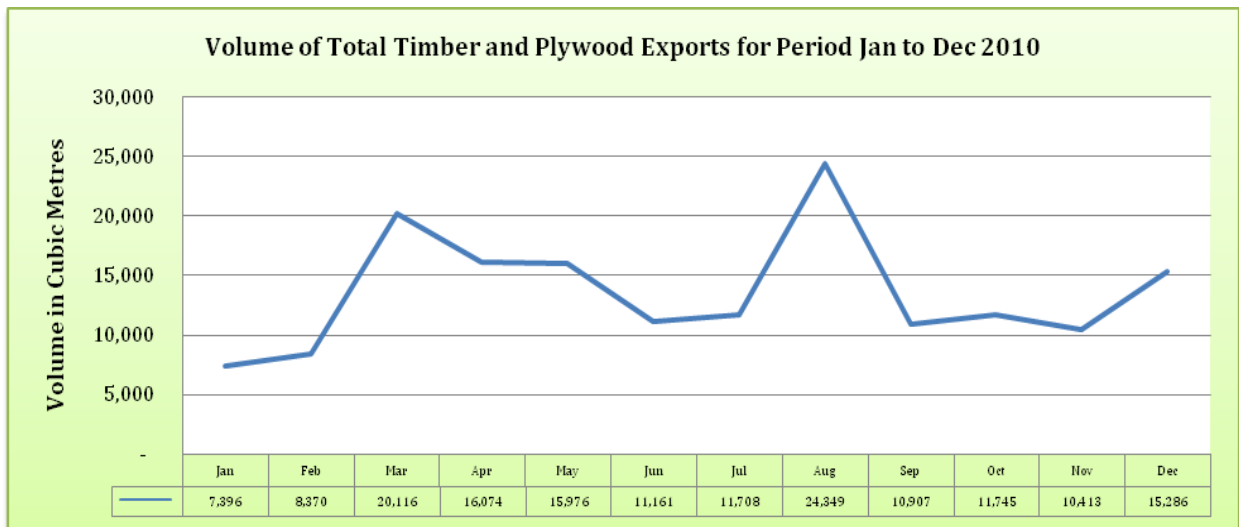
Log Production and Export

The graph below illustrates the surplus of log production over exports over the 2010 period. The peak month for log production was December whilst the log export peak was seen in August.



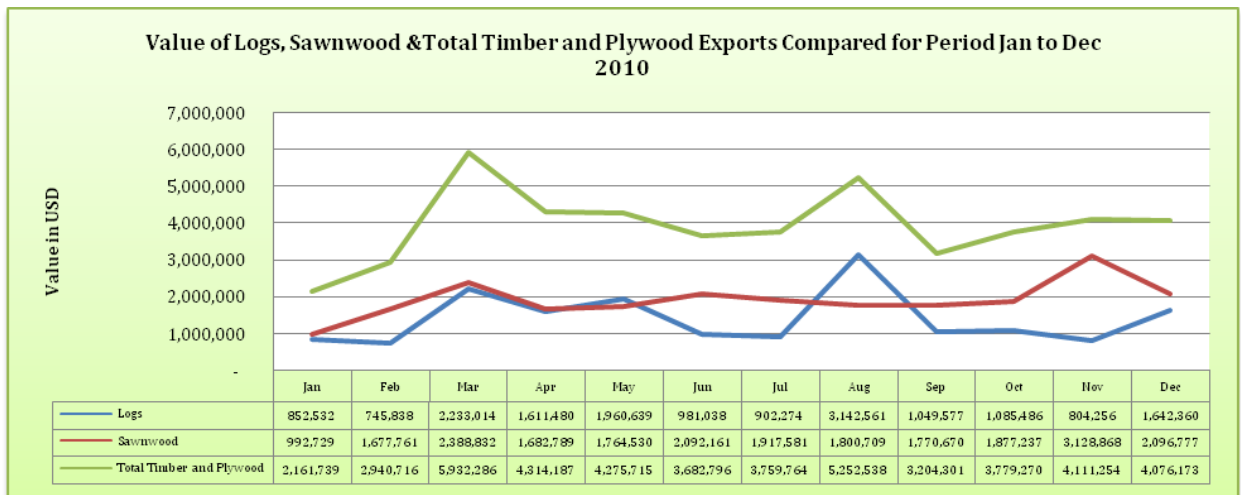
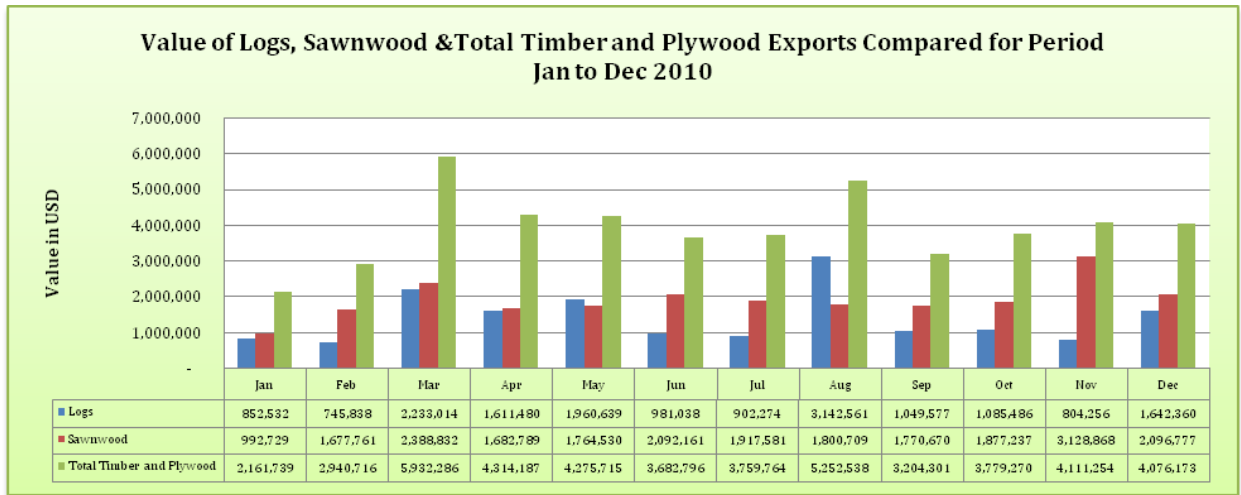
Export Volume of Timber and Plywood

The graph below shows the general trend of timber and plywood volume exports. The range of volume export was between 7,000m³ and 24,000m³ for the 12 month period with the peak seen in August 2010.



Export Value Trends for 2010

The graph and chart below illustrate the consistent performance over 2010 with export value of timber and plywood ranging from US\$2M to US\$4m per month over the 12 month period. The peak was seen in February in which a total value of US\$5.9M in export value was recorded. Consistently through the majority of months of the period, except for a reversed pattern in May and August, Sawnwood accounted for the majority percentage of timber exports.



PRODUCTS		Unit	Jan - Dec 2009 Volume	Jan - Dec 2010 Volume	% Change over Jan - Dec 2009
TIMBER PRODUCTS					
Logs		m ³			
Special Category					
Greenheart			60,957.49	44,574.96	(26.88)
Purpleheart			27,367.94	36,826.53	34.56
Others			6,505.06	8,545.77	31.37
Total Special Category Logs			94,830.50	89,947.26	(5.15)
Total Other Class Logs			171,367.66	228,294.52	33.22
Total Logs			266,198.15	320,091.31	20.25
Roundwood		m ³	-	-	
Greenheart Piles			13,551.07	12,761.49	(5.83)
Kakaralli Piles			911.41	451.66	(50.44)
Wallaba Poles			3,098.08	1,880.94	(39.29)
Posts			1,790.60	2,046.14	14.27
Spars			62.94	95.35	51.50
Total Roundwood			19,414.09	17,658.98	(9.04)
Primary (Chainsaw) Lumber		m ³	-	-	
Total Special Cat. Lumber			16,496.35	14,222.93	(13.78)
Total Other Class Lumber			56,622.61	61,288.80	8.24
Total Primary Lumber			73,118.96	77,580.20	6.10
Splitwood		m ³	-	-	
Paling Staves			868.86	655.90	(24.51)
Shingles			91.12	1,656.40	1,717.83
Total Splitwood			959.98	2,312.31	140.87
Fuelwood					
Charcoal		m ³	12,868.64	14,584.48	13.33
Firewood		m ³	16,846.45	16,687.83	(0.94)
Plywood		m ³	18,877.90	14,240.47	(24.57)
NON - TIMBER FOREST PRODUCTS			-	-	
Wattles		pieces	243,607.50	287,497.00	18.02
Manicole Palm		pieces	2,831,538.00	2,961,726.00	4.60

(Compared to Jan - Dec 2009)

PRODUCT	Jan - Dec 2009		Jan - Dec 2010		% Change Over	
	Volume	Value	Volume	Value	Jan - Dec 2009	
	m ³	US\$	m ³	US\$	% Vol	% Val
Logs	62,039.38	10,091,777.07	110,637.75	17,011,055.78	78.33	68.56
Sawnwood	41,940.68	24,509,131.76	36,219.07	23,190,644.84	(13.64)	(5.38)
<i>Dressed</i>	14,188.96	9,890,475.62	13,724.55	10,269,715.09	(3.27)	3.83
<i>Undressed</i>	27,751.72	14,618,656.14	22,494.51	12,920,929.75	(18.94)	(11.61)
Roundwood	5,171.36	1,692,595.23	5,496.18	2,016,937.68	6.28	19.16
Splitwood	2,871.57	2,520,432.94	2,031.63	1,605,644.18	(29.25)	(36.29)
Plywood	10,580.76	4,114,865.80	9,116.22	3,666,456.34	(13.84)	(10.90)
TOTAL TIMBER & PLYWOOD	122,603.74	42,928,802.80	163,500.85	47,490,738.82	33.36	10.63
Furniture (pcs)	10,262.00	823,409.10	4,851.00	421,897.74	(52.73)	(48.76)
Building Componentry (pcs)	-	1,247,386.04	-	741,125.85	-	(40.59)
Mouldings (m)	135,955.12	242,183.65	130,167.56	234,129.00	(4.26)	-3.33
Pre-Fabricated Houses (pcs)	2.00	20,232.37	1.00	2,230.00	(50.00)	(88.98)
OTHER(than Plywood) VALUE ADDED	-	2,333,211.16	-	1,399,382.59		(40.02)
Fuelwood (m³)	8,308.45	204,709.91	7,946.23	189,365.31	(4.36)	(7.50)
Other (pcs)	5,134.00	11,830.07	7,228.00	14,335.81	40.79	21.18
Non - Timber Forest Products (pcs)	4,248.20	31,566.82	1,279.00	9,673.55	(69.89)	(69.36)
OTHER PRODUCTS	-	248,106.80	-	213,374.67		(14.00)
TOTAL EXPORT VALUE	-	45,510,120.76	-	49,103,496.08		7.90

Summary of 10 Year Performance

GFC also shows a trend analysis for the end of a 10 year period for the forest sector; the summary of this analysis for both the production and export statistics is presented below. The trend shows that the performance of the forest sector has been fairly stable over the past decade with a peak in 2006 and continued strong performance recorded in the years following the international financial crisis. Production remains strong at the 463,000m³ level in 2010 and indicated a strong end of decade level over the period range of 383,000m³ to 537,000m³. Export earnings over the decade range between US\$32M and US\$59.5M with a strong performance in 2010 at close to US\$50M.



Annual Production and Export Volumes of Timber and Plywood for Years 2000-2010

(in '1000 cubic metres)

Product		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Logs	Production	288.5	311.9	297.5	236.2	366.0	323.9	394.0	330.4	275.3	266.2	320.1
	Export	44.3	25.1	47.9	48.0	60.3	115.8	190.8	157.1	92.4	62.04	110.6
Sawnwood*	Production	28.8	29.5	31.0	38.2	36.1	57.8	67.4	74.4	67.0	73.1	77.6
	Export	18.8	18.8	32.7	27.4	37.5	42.1	44.9	43.8	47.6	41.94	36.2
Roundwood (Piles, Poles, Posts, Spars)	Production	26.9	19.3	14.6	14.7	18.0	19.6	17.2	20.9	18.7	19.4	17.7
	Export	3.4	1.9	6.4	9.2	14.5	9.0	13.5	13.8	10.3	5.17	5.5
Splitwood (Staves, Shingles)	Production	1.4	2.0	1.4	3.1	3.0	3.2	3.4	1.1	0.7	0.96	2.3
	Export	0.4	0.9	0.7	2.0	2.0	2.2	2.4	3.1	3.4	2.87	2.0
Fuelwood (Charcoal, Firewood)	Production	24.9	15.2	20.3	16.6	17.0	17.8	20.5	26.2	21.1	29.7	31.3
	Export	0.3	10.0	1.4	0.9	1.9	1.7	3.5	4.6	6.9	8.3	7.9
Total Timber & Fuelwood	Production	370.5	377.9	364.8	308.8	440.1	422.3	502.5	452.9	382.8	389.4	448.9
	Export	67.2	56.7	89.1	87.5	116.2	170.8	255.1	222.5	160.6	120.3	162.3
Plywood	Production	91.9	70.6	51.3	74.7	54.2	37.1	34.5	39.2	20.6	18.9	14.2
	Export	87.0	69.9	46.8	52.6	49.5	36.6	24.0	24.3	15.8	10.58	9.1
Total Timber, Fuelwood & Plywood	Production	462.4	448.5	416.1	383.5	494.3	459.4	537.0	492.1	403.4	408.3	463.1
	Export	154.2	126.6	135.9	140.1	165.7	207.4	279.1	246.8	176.4	130.9	171.5

Annual Export Values of Forest Products for Years 2000-2010

(in US\$ millions)

Product	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Logs	2.8	3.2	4.6	8.5	5.8	12.0	22.3	20.9	15.6	10.1	17.0
Sawnwood*	6.2	7.6	10.7	9.2	13.8	17.7	20.4	21.9	26.0	24.5	23.2
Roundwood	0.7	0.4	1.1	3.8	2.5	1.8	2.3	2.9	2.5	1.7	2.0
Splitwood	0.2	0.3	0.4	0.5	1.2	1.1	1.2	1.7	2.6	2.5	1.6
Total Timber	9.9	11.5	16.8	22.0	23.3	32.6	46.2	47.3	46.7	38.8	43.8
Plywood	23.6	16.7	12.3	12.4	15.5	11.3	8.8	8.9	6.6	4.1	3.7
Total Timber and Plywood	33.5	28.2	29.1	34.4	38.8	43.9	55.0	56.2	53.3	42.9	47.5
Other Value-Added Products**	-	2.5	3.0	3.5	4.3	4.5	4.3	5.0	3.2	2.3	1.4
Other Products***	2.2	2.4	0.1	0.1	0.3	0.2	0.2	0.2	0.3	0.3	0.2
Total Other Products	2.2	4.9	3.1	3.6	4.6	4.7	4.5	5.3	3.5	2.6	1.6
Total Export Value	35.7	33.1	32.2	38.0	43.4	48.6	59.5	61.5	56.8	45.5	49.1

**Sawnwood exports derive from both Chainsawn production and Millsawn lumber; production quotes chainsaw lumber only*

*** (Furniture, Building Components)*

**** Includes Fuelwood export values.*

... Data not available

Land Allocation Breakdown

Land Allocation within the Forestry Sector. It does not include Private Property and Amerindian Lands.

Summary of State Forest Allocations

as at December 31, 2010

Classification	Count	Area (Hectares)	% Area Type	% Total Allocation	% State Forest
Production Area Allocations					
State Forest Permissions (SFP)	386	1,549,833	22.6%	19.6%	12.1%
Wood Cutting Lease (WCL)	2	30,535	0.4%	0.4%	0.2%
Timber Sales Agreement (TSA)	25	4,538,730	66.1%	57.3%	35.3%
State Forest Exploratory Permit (SFEP)	5	750,063	10.9%	9.5%	5.8%
Total Production Area Allocations	418	6,869,161	100.0%	86.7%	53.4%
Permanent Research & Reserve Areas					
GFC Forest Reserves	11	17,796	1.7%	0.2%	0.1%
Other Research & Reserve Sites	2	1,032,903	98.3%	13.0%	8.0%
Total Research and Reserve Areas	13	1,050,699	100.0%	13.3%	8.2%
Total Forests Allocated	431	7,919,860		100.0%	61.6%
Unallocated Forests		4,934,947	38.4%		38.4%
Total State Forests		12,854,807			100.0%
Iw okrama Research Site		371,592			
Kaieteur National Park		63,000			

Forest Sector Licences

Sector activity licenses are valid for one (1) calendar year only; continued production requires annual renewals. The **Table** indicates the number of licenses issued for the 2010 period.

Table 3: Activity Licences for Year 2010					
Activity Type	Berbice	Demerara	Essequibo	NorthWest	Total
Charcoal	3	24	1	1	29
Firewood	2	8	6	0	16
Sawmill Erection	17	18	7	1	43
Sawmill Operation	49	75	56	2	182
Sawpit	39	81	55	22	197
Timber Dealer (Export Purpose)	12	49	9	1	71
Timber Dealer (Lumber Yard)	36	127	32	8	203
Timber Dealer (Not Storage)	5	10	7	0	22
Timber Depot	10	10	4	0	24
Timber Path	1	1	1	0	3

2. *Projects Overview for 2010*

Facilitating expansion of Kiln drying in the Forest sector

The purpose of this project was to stimulate added value activities by trialing commercial kiln drying of wood in three small scale community sawmilling regions.

In 2010, three kilns of 20m³ capacity were installed in Essequibo, Berbice and Linden. These kilns are operated by Kiln Associations that are made up of small community saw millers in each region. The kilns are expected to boost added value production in these areas and expand the use of kiln drying nationally.

Facilitating GFC's Monitoring Efforts in the Moraballi Reserve

In 2009, financing was secured from the German Development Bank, KfW to enhance GFC's monitoring activities in the Moraballi Reserve through the establishment of a Forest Station in that area.

The Project aims at: enhancing understanding of Greenheart vis-à-vis sustainable harvesting of the species; enhancing monitoring activities within the Reserve, preserving the stock of Greenheart trees for study and future use.

A permanent team of Forest Officers from the GFC will be stationed within the Reserve.

In 2010, the construction of this station was well advanced with a scheduled completion date of April 2011.

Enhancing Efficiency in the Forest Processing Sub Sector

In 2009, a Project Proposal was submitted to ITTO in the area of: Upgrading the capacity of wood processing industry through development of strategic guidance and human capacity building.

Increasing recovery during processing implies a commensurate reduction in waste. The immediate environmental benefits of this are reduction in greenhouse gases emitted due to burning of waste wood and potential pollution of water courses through leaching of sawdust and other residues. A downstream benefit will also be felt in the forest environment as pressure on the raw material will be reduced by more efficient processing.

In 2010, significant progress was made in the areas of field assessment of recovery rates assessment, preparation of a draft Code of Practice, Capacity Building plan and Policy recommendations developed and are under review.

By mid of 2011, this project is scheduled to be completed.

Participation in FAO National Forest Programme

The project focuses on generating benefits for communities and small scale forest based enterprises in Guyana. I

In 2010, progress was made in selection of communities for first batch of training (10 communities), formulation of a training plan and preparation of training materials for sessions. In 2011, the first batch of training is expected to be completed and plans made for second and third training sessions.

Community forestry Initiative

Over the period 2010, the GFC worked closely with community forest groups in an effort to support their growth and development along a sustainable path.

In 2010, six (6) new associations were established bringing the total number of community forestry associations to 49 that have been allocated 81 State Forest Permissions of total area size 327,471ha.

IDB Project on Capacity Building

In 2010, a proposal was submitted to the IDB for support in the key areas of capacity building in strategic areas for the GFC and REDD+ Secretariat. The focal areas under this project include forest legality, GIS and remote sensing, and forest carbon stock assessment and monitoring. This is an 18 month project and will be executed in 2011 and 2012.

The establishment of a system for Independent Forest Monitoring (IFM)

Terms of reference have been developed for the IFM provider. A public call for proposal/bids was made in August using local, regional and international media outlets. The initial scoping mission as well as the first audit will be completed in 2011. The full terms of reference for the IFM provider is available publicly on GFC's website at www.forestry.gov.gy and the LCDS web site www.lcds.gov.gy.

The execution of IFM will occur annually in the interim period and thereafter will be conducted at intervals of maximum 2 years.

Exploring Guyana's Possible Engagement with the EU FLEGT Programme

The GFC continued work in 2010 in engaging stakeholders in initial dialogue on the EU Forest Law Enforcement Governance and Trade Programme (EU-FLEGT).

UNDP Supported Project on revising the National Forest Plan and Policy Statement

In 2010, the GFC secured resources from the UNDP to support the review and revision of the Draft National Forest Plan and National Forest Policy Statement. This review process which involved a series of consultations was completed in 2010 and the revision of these documents will be done in 2011.

FOREST RESOURCE MANAGEMENT

Training

Staffs of this division continued to benefit from in-house training such as: use of compass, clinometers, GPS usage, forest inventory, map reading and description writing, GIS software, basic function of Microsoft Excel and Word, tree and wood identification and GEMFORM, GIS and Remote Sensing for mapping degraded forest areas, use of ArcGIS 9.2.

Staff members also attended workshops and seminars sponsored by countries, governmental agencies, non-governmental organizations and the private sector.

The Division assisted concessionaires in sustainable forest management planning, thus to increase efficiency in forest operations. 527 pre-harvest blocks were verified and approved during the year.

Annual Plans of Operations

Twenty-three (23) annual plans were submitted and twenty-one (21) were approved during the period under review. The table below shows the list of Companies that submitted AOPs in 2010.

NO	Concession Name	Folio #	Remarks
1	A. Mazaharally and Sons	TSA 06/85	Approved
2	Barama Company Limited	TSA 04/91	Approved
3	Caribbean Resources Ltd	TSA 04/89	Approved
4	Demerara Timbers Ltd.	TSA 02/91	Approved
5	Demerara Timbers Ltd.: Siparuni	TSA 03/91	Approved
6	Forest Enterprise Ltd	TSA 01/2000	Not Approved
7	Ganesh Singh and Brothers Logging Inc Block A	TSA 01/09	Approved
8	Garner Forest Industries	TSA 03/05	Not Approved
9	Haimorakabra Logging Co. Inc. (A)	Bce 15/87	Approved
	Haimorakabra Logging Co. Inc. (B)	Bce 15/87	
10	Interior Forest Industries Inc.	TSA 03/85	Approved
11	Iwokrama Sustainable Timber Inc.		Approved
12	Jaling Forest Industries Inc. (A)	TSA 02/05	Approved
	Jaling Forest Industries Inc. (B)	TSA 02/05	
13	Kurunduni Logging and Development Co.Ltd	TSA 02/97	Approved
14	Linear Woods	WCL 03/2007	Approved
15	Nagasar Sawh: Ya-Ya	TSA 04/90	Approved
16	Puruni Woods Products Inc.	TSA 01/07	Approved
17	Timber Traders Ltd	TSA 02/07	Approved
18	Toolsie Persaud Ltd.:Manaka	TSA 04/85	Approved
19	Variety Woods & Greenheart Ltd.	WCL 01/2007	Approved
20	Wanatabo Forest Resources Inc.	TSA 05/07	Approved
21	Willems Timbers & Trading Co. Ltd.	TSA 01/91	Approved
22	Willems Timbers & Trading Co. Ltd.	TSA 10/85	Approved
23	Wood Association Industries Co.Ltd.	TSA 01/99	Approved

Forest Management Planning

The table below shows the list of Companies approved for operation during 2010.

NO	Concession Name	Status of Cycle and Yield	Date Approved AOP	Number of Blocks proposed in AOP	Number of blocks approved	Total blocks approved
1	A. Mazaharally and Sons	25 years at 8.33m ³ /ha	19/01/2010	18	18	19
2	Barama Company Limited	40 years at 13.33m ³ /ha	03/02/2010	361	361	225
3	Caribbean Resources Ltd	30 years at 10m ³ /ha	03/02/2010	88	87	22
4	Demerara Timbers Ltd.	25 years at 3.33m ³ /ha	27/05/2010	5	51	37
5	Demerara Timbers Ltd.: Siparuni	25 years at 8.33m ³ /ha	03/02/2010	59	59	59
6	Forest Enterprise Ltd	60years at 20m ³ /ha	Not approved	7	10	2
7	Garner Forest Industries	60 years at 20m ³ /ha	Not approved	20	7	0
8	Ganesh Singh & Brothers Logging Co.	25 years at 8.33 m ³ /ha	12/11/2010	5	11	5
9	Haimorakabra Logging Co. Inc.	25 years at 8.33m ³ /ha	05/02/2010	16	16	6
10	Interior Forest Industries Inc.	25 years at 8.33m ³ /ha	17/03/2010	48	48	50
11	Iwokrama Sustainable Timber Inc.	60 years at 20m ³ /ha	5/12010	47	18	34
12	Jaling Forest Industries Inc. (A)	40 years at 13.33m ³ /ha	08/02/2010	29	29	15
13	Kurunduni Logging and Development Co.Ltd	60 years at 20m ³ /ha	30/11/2010	7	7	8
14	Linear Woods	25 years at 8.33m ³ /ha	08/03/2010	2	2	4
15	Nagasar Sawh: Ya-Ya	25 years at 8.33m ³ /ha	19/03/2010	9	8	4
16	Puruni Wood Products	60 years at 20m ³ /ha	23/08/2010	11	11	0
17	Timber Traders	60 years at 20m ³ /ha	23/08/2010	17	17	0
18	Toolsie Persaud Ltd.:Manaka	25 years at 8.33m ³ /ha	03/02/2010	39	39	34
19	Variety Woods & Greenheart Ltd.	25 years at 8.33m ³ /ha	15/01/2010	8	6	7
20	Wanatabo Forest Resources Inc.	25 years at 8.33m ³ /ha	27/05/2010	6	11	6
21	Willems Timbers & Trading Co. Ltd.	25 years at 8.33m ³ /ha	15/01/2010	14	13	13
22	Willems Timbers & Trading Co. Ltd.	25 years at 8.33m ³ /ha	27/052010	16	16	12
23	Wood Association Industries Co.Ltd.	25 years at 8.33m ³ /ha	27/01/2010	8	7	8

Based on the 21 AOPs reviewed in 2010, 14 companies have opted to operate on a 25 year felling cycle; 6 opted for a 60 year felling cycle and 2 opted for a 40 year felling cycle. 1 company opted for a 30 year felling cycle.

The Forest Monitoring Division (FMD) of the Guyana Forestry Commission (GFC) is supported by the following operational stations:

Operational Stations per Operational Division at December 31, 2010

Demerara Division:

1. Soesdyke (24 hours and Divisional Forest Office),
2. Georgetown,
3. Linden (24 hours),
4. Mabura.

Berbice:

1. Canje (Divisional Forest Office),
2. Springlands,
3. Kwakwani,
4. Bamboo landing,
5. Orealla.
6. Scatter Rock

Essequibo:

1. Parika (Divisional Forest Office),
2. Bartica,
3. Wineperu,
4. Iteballi,
5. Manaka,
6. Supenaam,
7. Arpiarco,
8. Anarika,
9. Buckhall,
10. Charity
11. Annai
12. Lethem
13. Madhia

North West:

1. Mabaruma,
2. Port Kaituma
3. Kwebana

Forest monitoring activities carried out in 2010

Stump Inspection

In 2010, numerous inspections were carried out by forest Officers, to verify whether various stakeholders were logging within their specified areas. In addition, the inspections served to inform Officers of the origin of produce as well as the adherence to the method applied when using log tracking tags. Inspections were done upon request and as part of FMD's regular routine monitoring operations. Some stations also took the initiative of carrying out stump inspections for logs and lumber before removal from the concessions, in an attempt to ensure accuracy of the use of the log tracking tags and the origin of the produce.

Environmental Monitoring and Audit of Timber Sales Agreement (TSA) and Wood Cutting Lease (WCL) and State Forest Permissions (SFP)

TAS and WCL

During 2010, environmental monitoring and audit inspections were carried out for all active TSA and WCL logging operations. The inspection allows the GFC to ascertain whether these companies' logging operations were in accordance with the company's approved annual operational plan for 2010 and, compliance with the GFC's code of practice for timber harvesting operation. The findings of the inspections were reported to the companies and an action plan was recommended by the GFC where necessary. Generally, compliance was very satisfactory.

SFP

During 2010 84 percent of all active SFPs operations were field audited. The concessions which were not audited were considered low risk that is, not having a track record of major infraction. However, there were other constraining factors that impacted on the achievement of 100 percent auditing of all SFP concessions, such as, flooding caused by the unpredictable rainy season.

Compliance with the GFC guidelines was satisfactory.

Table showing total number of SFP's operating that were issued and monitored at the end of 2010

No	Division	Total No. of SFPs	100% Inspection
1	Berbice	117	56%
2	Demerara	136	96%
3	Essequibo	112	85%
4	North West	11	100%
	Total	376	84% Avg

The Monitoring Division is also responsible for the licencing of lumber yards, and processing facilities; it also does comprehensive monitoring of same to ensure that only legally produced forest produce enters these facilities.

Compliance with the GFC guidelines has been improving, but this is an area where more focus would be placed in 2011.

In 2010, the number of timber dealers licenses increased by 1.04% over 2009 figures. The number of sawmill licenses increased by 17% compared to the corresponding period in 2009 and to a 25% increase for the same period 2008. There was a sharp decline in the number of sawpit licenses for the period, this was mainly due to concessionaires going for value added and increased recovery in the form of portable sawmills.

GFC also supported the work of the REDD+ Secretariat and a brief summary is presented below:

SUMMARY REPORT FOR THE REDD SECRETARIAT FOR 2010

1. MRVS Steering Committee & Technical Sub Committee

Among the activities addressed by the MRVS Steering Committee were:

- a) Finalization of the Bid documents;
- b) Finalization of evaluation sheets and criteria for Bids 1 & 2;
- c) Assessments of proposals received for Bids 1 & 2;
- d) Continued work on the strengthening and integration of national datasets amongst the natural resources management agencies;
- e) Discussions on a number of technical areas including various definitional issues.

The GFC remains the chair for both bodies.

2. Forest Area Assessment and Forest Carbon Stock Assessment

Bids 1 (Remote Sensing & GIS Consultant) & 2 (Carbon Stock Assessment & Monitoring Consultant) form the two initial sets of activities that are to be performed as part of the roadmap for the MRVS. Terms of References for Bids 1 & 2 were prepared by the Guyana Forestry Commission based on the Roadmap for the MRVS developed for Guyana.

The consultancy firm that was selected to conduct work on Bid 1 was Poyry Forest Industry of New Zealand. As is consistent with the framework of the MRVS, the main deliverables of Bid 1 undertook a local capacity building approach and focused on: (i) historic forest area assessment and change mapping for the period 1990 to 2009; (ii) forest and non forest mapping, (iii) development of benchmark forest map as at September 2009, (iv) forest area assessment and change monitoring for the annual period October 1, 2009 to September 30, 2010, (v) independent accuracy assessment of area change estimates, and annual reporting on REDD+ interim indicators as set out in the Memorandum of Understanding (MoU) between the Governments of Guyana and Norway. The work of Bid 1 commenced in August 2010 and extends to March 2011.

In 2010, the first draft of the assessment report was produced and report on the historic assessments as well as the REDD+ interim performance indicators under the Guyana/Norway cooperation. In 2011, the final activities on verification and accuracy assessment will be completed.

Winrock International was selected as the firm to conduct the work of Bid 2. Bid 2 was also designed to undertake a capacity building approach and the main deliverables are (i) implementation plan and sample design including protocols for forest carbon stock assessment, (ii) capacity building and field training for conducting forest carbon stock assessment and monitoring, (iii) field implementation of forest carbon assessment and monitoring, (iv) development of carbon conversion and expansion factors suitable for Guyana, (v) assessment of key drivers causing change in forest carbon in Guyana, and (vi) development of a long term measurement and monitoring plan for forest carbon. The work of Bid 2 commenced in August 2010 and extends until December 2011.

3. REDD+ Governance Development Plan (RGDP)

The Joint Concept Note of the MoU between Guyana and Norway outlined the need for basis for the continued development of a transparent, rules-based, inclusive forest governance, accountability and enforcement system. The development and implementation of this governance model will be integrated with the LCDS. A draft RGP was prepared, and includes 23 thematic areas, with clear requirements and timelines for its implementation. Several elements of the draft Plan are already being implemented, including the review and revision of the National Forest Policy Statement & the draft National Forest Plan. It includes other areas such reporting on the multiple benefits of REDD-plus, including on measures to protect biological diversity, improved livelihoods, good governance, and how the Constitutional protection of the rights of indigenous peoples and local communities are facilitated within the framework of Guyana's REDD-plus efforts. It also outlines the development of a national inter-sectoral, land use planning system in order to avoid national leakage, with REDD-plus as the overarching goal and with specific emphasis on managing the impacts of infrastructure development and agricultural expansion on forests.

1. World Bank Missions

From April 30th to May 1st, 2010, a team comprised of representatives from the Government of Guyana, civil society, World Bank, and USAID visited Region 1 and met with small and medium scale loggers and miners, Amerindian communities and other stakeholders.

The joint multi-stakeholder mission team was led by the Guyana Forestry Commission (GFC) and included representatives of the Guyana REDD Secretariat, the Guyana Geology and Mines Commission (GGMC), the Guyana Gold and Diamond Miners Association (GGDMA), the World Bank, USAID (development agency from the United States, an FCPF contributor), the Amerindian Action Movement of Guyana (TAAMOG), the National Amerindian Development Foundation (NADF), the Amerindian Peoples Association (APA), the Guyanese Organization of Indigenous Peoples (GOIP).

The mission set out to explain the REDD Readiness preparation process, its priority thematic areas, and the way in which it functions to the communities of Region 1. Communities were invited to

express their views, questions and concerns so that they may be taken into account and addressed in the preparation phase. On April 30th, the information session was divided in two meetings: one with small loggers and farmers in the morning facilitated by the GFC and one with small and medium size miners facilitated by the GGMC. On May 1, the World Bank team also visited a medium-scale mining operation in Arakaka and met with miners in Matthews Ridge.

2. Revision of the RPP

After further revision of the RPP, a revised version of the RPP was released in April 2010. This version of the RPP was revised using a new template that was prepared by the FCPF and can be accessed on the GFC website.

In 2010, the delivery partner for Guyana for the FCPF was approved to be the IDB. Guyana has commenced working with the IDB in this regard.

3. Sixth Meeting of the Participants' Committee of the FCPF Hosted by Guyana

The Sixth Meeting of the Participants' Committee of the Forest Carbon Partnership Facility was held from June 28- July 1, 2010 at the Pegasus Hotel, Georgetown. This Meeting comprised representation from FCPF Member Countries, along with donors, NGOs, Forest-Dependent Indigenous Peoples and Other Forest Dwellers, International Organizations, Non-governmental Organizations, Private Sector, the UNFCCC Secretariat and UN-REDD Programme.

On July 1, 2010, field trips were carried out for the PC.

4. Collaboration with the USFS

Through a Technical Cooperation with USAID, the GFC and REDD Secretariat have been receiving technical support and guidance from the US Forest Service (USFS) in a number of areas. This included the provision of a technical expert to assist in the evaluation of proposals submitted for Bids 1 & 2 as well as in providing guidance in the GFC preparing a concept paper on the definition of forests for Guyana.

5. REDDES - Strengthening Guyana's capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and degradation

This project is funded by the ITTO. Terms of reference were developed for an Environmental Services Expert to conduct work in the following areas:

- a. Assess the potential and feasibility of market based and other remuneration systems for compensating environmental services
 - (i) Assess available market mechanisms, incentives programmes and remuneration systems for environmental services appropriate for Guyana
 - (ii) Evaluate the requirements that are necessary to access identified markets and remuneration systems appropriate for Guyana

A local consultant and an international consultant were selected to commence work, with deliverables due in 2011.

6. Avoided Deforestation through Consolidation and Creation of Protected Areas and Carbon Financing Mechanisms in the Guianan Region (Guyana, Suriname, and Brazil) - funded by KfW with technical assistance provided by Conservation International

The CI/KfW Project was initiated in early 2009. While the initial activities outlined were part of the overall KfW project, a recommendation was made by the GoG for these activities to feed into the work under the MRVS, as the MRVS has a larger scope. While this was done the outputs remained the same with only slight modifications to reflect the aim of cohesion between the MRVS and KfW project activities

The KfW/CI/GFC contract is supporting, in part, the overall design and implementation of the national forest carbon measurement and monitoring system and the establishment of the carbon conversion and expansion factors.