

# **Guyana Forestry Commission**



## **ANNUAL REPORT 2012**

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## **MESSAGE FROM CHAIRMAN, GUYANA FORESTRY COMMISSION BOARD OF DIRECTORS FOR 2012**

The Guyana Forestry Commission in 2012 continued steadfastly to exercise its oversight function as the Statutory Body responsible for the sustainable management of the country's forest resources under the auspices of the Ministry of Natural Resources and the Environment.

For the year under review the sector's contribution to Guyana's GDP remained flat at about 3%. Total production of forest products was marginally lower i.e 427,000m<sup>2</sup> compared to 450,000m<sup>3</sup> in 2011. Additionally, log production continues to stabilize at 65% of total output. Export sales on the other hand remained stable at approximately US\$40.0M which again was dominated by Sawn Lumber and Logs which together amounted to approximately 80% of all exports, the main markets being Asia/Pacific (Logs) and Europe and the Caribbean (Sawn Lumber).

The allocation of State Forest is primarily distributed among large concessionaires via Timber Sales Agreements (TSA) and Smaller Scale Operators via State Forest Permits (SFP). Together these groups occupy approximately 64% of total land allocated. Notwithstanding a number of novel interventions introduced by the Commission in order to influence a higher level of performance given that production particularly for TSA Holders in general continue to fall below agreed targets. This was compounded by the negative impact of prolonged disturbances in Region 10, the main conduit through which forest products must transit prior to delivery to the warehouses and/or wharves for export.

As a whole the Sector continues to provide employment i.e direct/indirect employment for over 30,000 persons. This includes approximately 3000 persons attached to 68 Community Organizations/Associations occupying approximately 460,000 hectares of concessions under the State Forest Permit Category, all of whom enjoy benefits via direct technical assistance from the Commission.

Notwithstanding the fact that only 18 (or 64%) out of a total of 28 active large concessionaires submitted their management and annual operational plans, most of these were approved followed by the implementation of rigid mechanisms to ensure compliance viz: harvesting, processing and export regulations and practices. Additionally, there were no significant adverse variances recorded in the verification and audit reports submitted.

In order to obtain and sustain competitive advantage, and in keeping with the international trends, we have entered into Voluntary Partnership Agreements (VPA) such as EU FLEGT. GFC's financial performance for 2012 was generally better than budgeted forecasts, however, when compared to 2011, Revenue increased by 6%, but expenditure was 24% above previous year. Concomitantly, Net Surplus decreased by G\$89M or 41% compared to 2011. Notwithstanding, the GFC Staff must again

be commended for successfully completing the majority of the work programmes which in itself demonstrates their commitment and dedication.

As the leading Agency responsible for reporting on Guyana's performance with respect to the implementation of the Low Carbon Development Strategy and in particular the key activities associated with REDD+, it has been established that our deforestation rate is less than 0.06%, well within the acceptable international limit. Credit should be given to all Stakeholders, our Indigenous Peoples, International Auditors such as the Independent Forest Monitoring, Environmental Lobbyists, Concessionaires, etc for their combined contribution towards the responsible management and utilization of this renewable resource.

In order to bring about improvement in the performance of the sector, the Directors together with the Commissioner and Staff engaged all Concessionaires, the GMSA, FPA, FPDMC and other Stakeholders in numerous discussion forums across the country. Some of the major strategies emanating from these engagements were:

- Determination and introduction of activities that would result in reduction of harvesting processing of prime species and consequently increase the utilization of Lesser Used Species.
- Implementation of processing manual in order to substantially increase recovery ratios, quality assurances via improved processing techniques, productivity and equipment efficiency
- Innovative ways to reduce Log exports while concomitantly accelerating down-stream processing and sale of value added products
- Intensification of the export marketing activities with a bias for those markets with high demand for added value products derived from Lesser Used Species.
- Support for the intensification of inter-agency collaboration (GFC, GGMC, EPA, LDS, Ministry of Amerindian Affairs) inclusive of initiatives and interventions to mitigate against issues such as utilization and maintenance of Roads, Infrastructure, Boundary Demarcation, Protected Areas, Data and Information and associated permits.
- Pursuance of innovative mechanisms that would facilitate beneficial occupation and hence optimum utilization of state forests viz: funding particularly for SME's and fiscal incentives, occupational skill training and product development facilitation, export marketing, etc

It is the intention of the Board to vigorously pursue these policy alternatives during the coming year with a view to invigorate the sector towards improving its performance. Indeed some of these initiatives which have either been conceived and/or endorsed by the Minister himself are already in the process of being implemented.

Clinton Williams  
Chairman  
Board of Directors

## **Executive Summary**

2012 has been a positive year for the GFC (over 95% of the GFC 2012 Work Plan was achieved). Total production for the 2012 period was 276,010m<sup>3</sup> as compared to 294,627m<sup>3</sup> in 2011. A marginal decline. Total export value for forest products for the year 2012 was US\$40.07M as compared to the corresponding 2011 total of US\$40.6M. There are still some areas where significant sector improvement is needed especially in the areas of improved beneficial occupation of concessions.

In 2012, GFC continued to manage its financials very prudently; revenue collection was G\$814,103,957M (4.87% increase over budgeted figures); expenditure was G\$690,576,718 M (1.79 % below budgeted figures).

The GFC continued to engage with key stakeholders in the forest sector during the first half of 2012, focusing on technical matters, community forestry, training and other requirements that were recognized through consultation and feedback with stakeholders. Specific areas focus including the National Log Export Policy, EU FLEGT, Independent Forest Monitoring, the Code of Practice for Processing, the revision of the National Forest Plan and Policy Statement, as well as development of new Codes of Practice.

The GFC advanced its programme of work on implementing national level Independent Forest Monitoring (IFM). This activity provided an initial scoping which was conducted in the last half of 2011, and the first audit in 2012.

GFC has progressively developed into an institution that is recognized both locally and internationally for its dedication to the promotion and monitoring of collaboratively developed and practically implementable sustainable forestry management practices at the level of the forest management unit.

The Ministry of Natural Resources and the Environment and the GFC Board of Directors must be commended for their high quality of guidance and excellent support provided to both Management and Staff.

## **GFC Board of Directors 2012**

Mr. Clinton Williams	Chairperson
Ms. Simone Benn	GFC Workers Representative
Ms. Vanessa Benn	Director
Mr. Andrew Bishop	Director
Mr. Brian Greenidge	Director
Mr. Donald Singh	Director
Dr. Indarjit Ramdass	Director
Ms. Prema Ramanah	Director
Mr. Bertie Xavier	Director
Mr. James Singh	Commissioner of Forests (ex-officio)
Mr. Rajnarine Singh	Ex-officio

## **Acronyms**

AAC	Annual Allowable Cut
CBD	Convention on Biological Diversity
CDP	Community Development Programme
CFO	Community Forestry Organization
CMRV	Community MRV
CoP	Code of Practice
DOLTA	Domestic Lumber Traders Association (of Ghana)
EFI	European Forestry Institute
EU FLEGT	European Union Forest Law Enforcement Governance and Trade
FAO	Food and Agriculture Organization of the United Nations
FAO ACP	FAO African Caribbean and Pacific Programme
FCPF	Forest Carbon Partnership Facility
FPA	Forest Products Association
GCP	Global Canopy Programme
GEO	Group on Earth Observations
GEO FCT	GEO Forest Carbon Tracking
GEOSS	Global Earth Observation System of Systems
GFC	Guyana Forestry Commission
GoF	Global Objectives on Forests
GoG	Government of Guyana
GRA	Guyana Revenue Authority
GSF	Guiana Shield Facility
IDB	Inter American Development Bank
IFM	Independent Forest Monitoring
IPCC	Inter Governmental Panel on Climate Change
ITTO	International Tropical Timber Organization
JFSQ	Joint Forest Sector Questionnaire (ITTO)
KCP	Knowledge and Capacity Building Product (IDB)
KfW	German Development Bank
LCDS	Low Carbon Development Strategy
MoAA	Ministry of Amerindian Affairs
MNRE	Ministry of Natural Resources and the Environment (Guyana)
MRVS	Monitoring Reporting and Verification System for REDD+
MRVS SC	MRVS Steering Committee
NFCMS	National Forest Carbon Monitoring System (Guyana)
NFP	National Forest Plan

NFPS	National Forest Policy Statement
NRDDB	North Rupununi District Development Board
NTC	National Toshias' Council
NTWG	National Technical Working Group (for EU FLEGT for Guyana)
OCC	Office of Climate Change
PDD	Planning and Development Division
PES	Payment for Ecosystem Services
REDD+	Reducing Emissions from Deforestation and Forest Degradation Plus
RGDP	REDD+ Governance Development Plan
RIL	Reduced Impact Logging
SFM	Sustainable Forest Management
SFP	State Forest Permission
ToR	Terms of Reference
TSA	Timber Sales Agreement
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
VPA	EU FLEGT Voluntary Partnership Agreement
WCL	Wood Cutting Lease
WI	Winrock International
WWF	World Wildlife Fund



**\*Awaiting Audited Financial Statement from Audit Office of Guyana**

**Draft Financial Statement: Guyana Forestry Commission**

**Summarized Income & Expenditure Account for Year 2012**

<b>Revenue</b>	<b>2012</b>	<b>Budget-2012</b>	<b>Variance</b>	<b>Var. Ratios</b>
Royalty	302,186,412	294,600,000	7,586,412	2.58
Acreage Fee	156,986,703	164,339,615	(7,352,912)	(4.47)
Licencing & Other Fees	143,910,653	103,870,000	40,040,653	38.55
Commission on Exports	167,108,967	180,000,000	(12,891,033)	(7.16)
Investment Income	13,808,000	13,500,000	308,000	2.28
Other Income	30,103,222	20,000,000	10,103,222	50.52
			-	-
<b>Total</b>	<b>814,103,957</b>	<b>776,309,615</b>	<b>37,794,342</b>	<b>4.87</b>
<b>Expenditure</b>				
Employment Costs	414,392,574	418,867,750	4,475,176	1.07
Operational Costs	220,896,564	225,987,000	5,090,436	2.25
Administrative Costs	41,146,827	42,620,000	1,462,473	3.43
Finance & Professional Costs	14,140,753	15,665,000	1,524,247	9.73
<b>Total Expenditure</b>	<b>690,576,718</b>	<b>703,139,750</b>	<b>12,552,332</b>	<b>1.79</b>
<b>Net Surplus/(Deficit)</b>	<b>123,527,239</b>	<b>73,169,865</b>	<b>50,357,374</b>	<b>68.82</b>
<b>Expenditure to Revenue Ratio</b>	<b>84.83</b>	<b>90.57</b>		
<b>Surplus to Revenue</b>	<b>15.17</b>	<b>9.43</b>		

## **Financial Summary 2012**

### **Revenue and Expenditure**

Revenue collection was G\$814.1M for 2012. This surpassed the Annual budget (G\$776.3M) with revenue in excess of budget being G\$37.7M.

Export for the year was recorded at just over US\$40M. Export commission and acreage fees were lower than the budget but higher collection in the area of royalty and licensing fees offset the variance under these two heads.

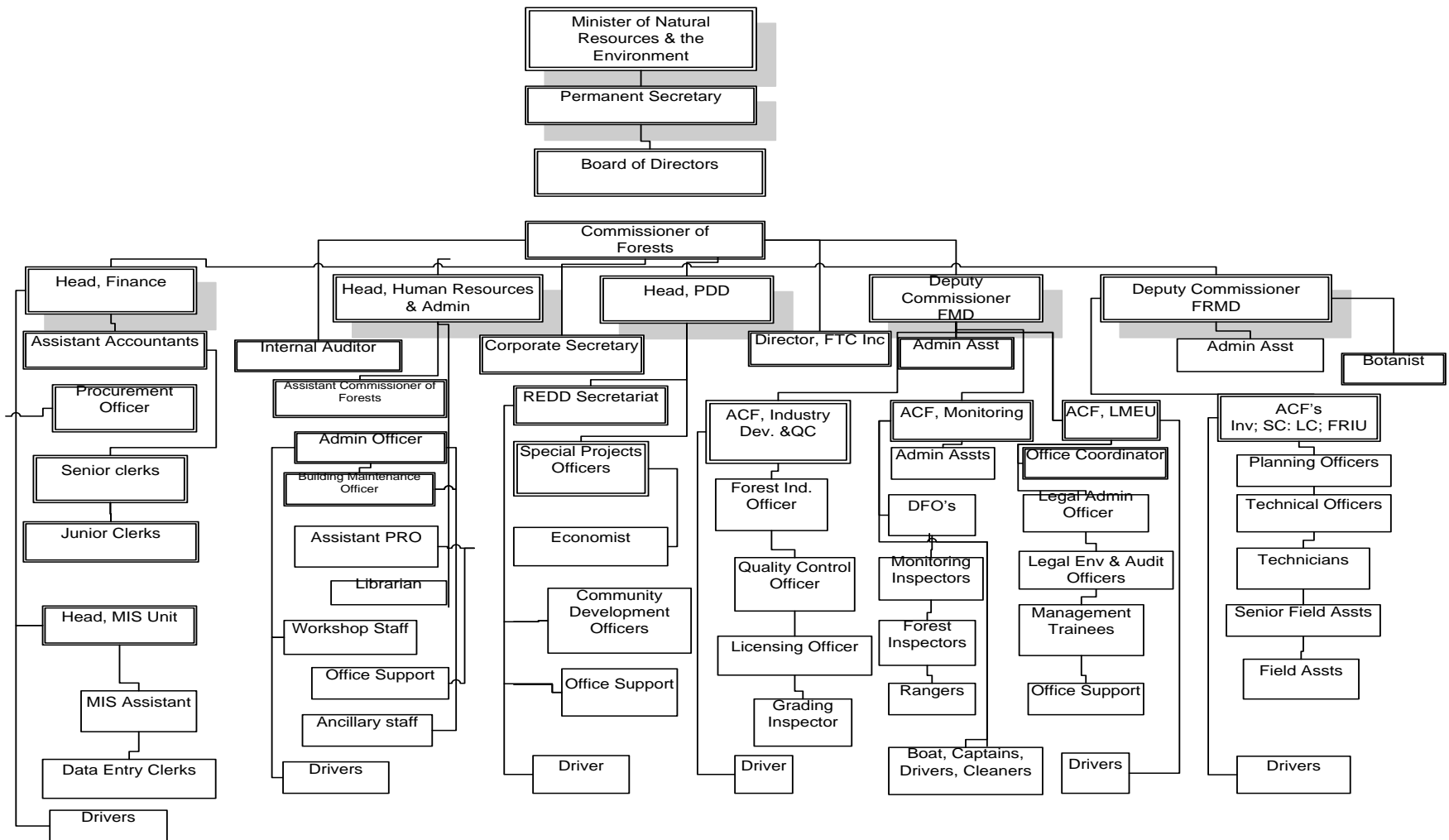
Expenditure for the year was G\$690.5M against a budgeted expenditure for the year of G\$703.1M.

The main category of expenditure was employment cost (\$414.3M); this included the retroactive 5% increased approved by Government in 2012. Administrative cost was G\$41.1M and finance & professional cost G\$14.1M. Capital expenditure was G\$91.7M for the year.

All of the heads of expenditure were within the budget and there was a savings of G\$12.5M.

Overall surplus for the year was recorded at G\$123.5M

**Organizational Structure of the GFC (Annex 1)**



## **Divisional Overview of the GFC**

### **Human Resource and Administration Division**

The Human Resources and Administrative Division is responsible for the general administration of the Guyana Forestry Commission, staff management, development and implementation of human resources policies, procedures and training.

It also manages the Library which is available for public use and is stocked with a number of publications including research findings and journals on issues of local and international status.

### **Finance Division**

The Finance Division is responsible for managing the financial resources of the Commission. It is also responsible for the Management Information System which assures improved data communication between both internal and external stakeholders; and maintains reliability, security and availability of information that is accessed throughout GFC.

### **Planning and Development Division**

The Planning and Development Division is responsible for coordinating the implementation of the National Forest Plan, conducting economic studies and other relevant studies on the forest sector, reporting on forest sector information. It also formulates project proposals and seeks funding for projects developed.

The Division is also responsible for supporting the REDD+ and MRVS work that is being executed by the Commission.

### **Forest Resource Management Division**

The Forest Resources Management Division (FRMD) of the Guyana Forestry Commission (GFC) is responsible for data collection on National Forest resources through the conducting surveys and inventories for stakeholders. FRMD makes recommendations on forest dynamics, silvicultural treatments, and the allocation of forest concession areas; it also coordinates the preparation of operational guidelines for forest management plans, and the evaluation of proposed forestry operations.

## **Forest Monitoring Division**

The Forest Monitoring Division (FMD) of the *Guyana* Forestry Commission (GFC) is responsible for the enforcement of Forest Laws and Regulations, the licensing of forestry operations, monitoring and control of forestry operations with regards to its approved annual allowable cut, monitoring the social and environmental impact of forestry operations, monitoring and approving forest produce for export, and the collection of revenue at outstations.

Whilst each Division has its specific area of responsibility, the 5 Divisions of the GFC function as one cohesive unit.

As such, activities of the Commission such as undertaking projects; data collection and analysis; report preparation and submission; support to REDD+ and LCDS implementation; and policy recommendations, are all done in a very integrated manner.

Because of this, the Annual Report for 2012 is structured to present the achievements of the GFC (rather than individual Divisions)

## **Staff Overview**

In 2012 our staff was distributed among the five Divisions as follows:

<b><i>Division</i></b>	2011	2012
	<b><i>Number of staff</i></b>	<b><i>Number of staff</i></b>
Forest Monitoring Division	233	<b>200</b>
Forest Resources Management Division	47	<b>63</b>
Planning Development Division/REDD	6/6	<b>6/6</b>
Human Resources & Administration	31	<b>59</b>
Finance & MIS	29	<b>31</b>
<b>Total</b>	352	<b>365</b>

The attrition rate for 2012 was 17%, compared to 13% for 2011.

## **Staff Development**

### **Scholarships and training**

Four employees successfully completed their overseas scholarship and resumed duties. One employee proceeded on a one year scholarship which was offered by the University of Redlands, California to study GIS.

Two additional persons were offered scholarships to pursue the BSC degree at the University of Guyana bring the total number of attachments at UG to 7.

Four students are on the Amerindian scholarships at GSA to pursue the Certificate in Forestry.

A large number of Middle managers were exposed to overseas training in 2012. Additionally, 320 staffs benefitted from internal training, covering topics ranging from GIS and Remote Sensing, Forest Monitoring Procedures, Forest Law, Supervisory and induction programs for new recruits. Timber grading and tree identification were done for staff and the sector.

### **Internal promotions**

In 2012, 5 officers were promoted as Assistant Commissioners of Forests: 3 in FMD and 2 in the FRMD. 1 was promoted as Divisional Forest Officer while the 2 students who completed their Diploma in Forestry in Cyprus were appointed as Ranger 1 when they resumed duties in August. The ACF, FRIU was offered an MSc scholarship to pursue the GIS programme and two officers are acting for 6 months each until he resumes duty in August 2013.

### **Industrial and Public relations**

During the year we continued to enjoy very cordial relations with the union representing the workers-GAWU. There were no areas of contention in 2012.

Career Fairs/school outreach targeted over 1000 students. 2000 fact sheets were printed and distributed along with 500 brochures highlighting the standards, Procedures and Regulations in the Forest Sector.

Two Officers in this department were also involved in conducting a forest sector skills need survey.

## **Performance of the Forest Sector in 2012**

### ***Production, Exports, and Prices***

For the period January to December 2012, timber, fuelwood, plywood and veneer totaled 426,784m<sup>3</sup>. Although marginally lower than the 2011 total of 449,857m<sup>3</sup>, this total reflects relative stability in the forest sector in 2012, a year which was affected by almost 6 weeks of protest action in Linden which impacted negatively on forestry activities in the Linden/Mabura areas.

Total log production for the 2012 period was 276,010m<sup>3</sup> as compared to 294,627m<sup>3</sup> in 2011. Primary Lumber showed the greatest stability in 2012, with 74,942m<sup>3</sup> reported in 2012 as compared to 76,117m<sup>3</sup> recorded in 2011. The products that reflected a notable increase in 2012 as compared to 2011 are: Roundwood and Fuelwood. Roundwood production in 2012 was recorded at 16,563m<sup>3</sup> as compared to 14,756m<sup>3</sup> in 2011. This increase is largely driven by the strong local demand for Roundwood, especially Piles, in the expanding construction and utility sector. Fuelwood, mainly produced by Communities, showed a small increase in 2012 with 36,787m<sup>3</sup> produced in 2012 as compared to 35,865m<sup>3</sup> produced in 2011.

Total export value for forest products for the year 2012 was US\$40.07M as compared to the corresponding 2011 total of US\$40.6M. This represents an on par performance with 2011. The main export products remain Sawnwood which accounts for US\$19.3M of the year to date export total of US\$40M and is then followed by Logs which accounted for US\$13.9M of the US\$40M total. Plywood has shown the greatest overall performance when compared to the corresponding period of 2011 with export volume totaling 4,344m<sup>3</sup>, and earning an export value of US\$2.13M. Splitwood followed closely with an overall export quantity of 1,934m<sup>3</sup>, and with export earning higher than that of its previous corresponding year value by 10.18%. Total Splitwood value was recorded at US\$1.7M. Shingles being the main export product in this category was responsible for the total amount of revenue recorded. Roundwood export continues to show positive variance for most products including Piles and Poles. Total Roundwood export volume was recorded at 6,097m<sup>3</sup>, and earning an export value of US\$1.5M. This compares to 3,436m<sup>3</sup> in 2011 which accounted for US\$1.4M.

For the year 2012, Logs were mainly exported to the Asia Pacific region namely India and China, and Sawn Lumber exported predominantly to the European and Caribbean markets, namely the Netherlands in Europe and Barbados, Trinidad and Tobago and Grenada in the Caribbean. The main market for Roundwood has been in the North American region namely the United States, and Plywood major market being the Latin American and Caribbean region, namely Antigua and Barbuda, Barbados, Trinidad and St Lucia.

An analysis of the general price level for export shows relative stable prices for forest products exports in 2012, with increases seen in a number of product categories. Plywood, Fuelwood and Roundwood reflected a marginally lower price level than 2011. However, export prices for Logs showed a large increase moving from US\$142.5/m<sup>3</sup> in 2011 to US\$168.04/m<sup>3</sup> in 2012. Sawnwood export reflected a 9% increase overall with a 6.6% increase seen in the Dressed Category and 10.44% seen in the Undressed Category.

**Table showing Average Export Prices (FOB) for Timber and Plywood for 2011 and 2012**

Product	2011(US\$)/m <sup>3</sup>	2012(US\$)/m <sup>3</sup>	% Change
Logs	142.5	168.04	17.9%
Sawnwood	740.4	808.12	9.15%
Dressed	1,081.7	1,153.47	6.63%
Undressed	567.1	626.33	10.44%
Roundwood	422.4	385.10	(8.8%)
Splitwood	852.06	905.56	6.28%
Fuelwood	24.4	23.10	(5.3%)
Plywood	539.13	504.99	(6.33%)



A breakdown of production and export statistics is shown below:

*Total Production for December 2012 plus Month and Year-to-Date Comparisons, 2011 & 2012*

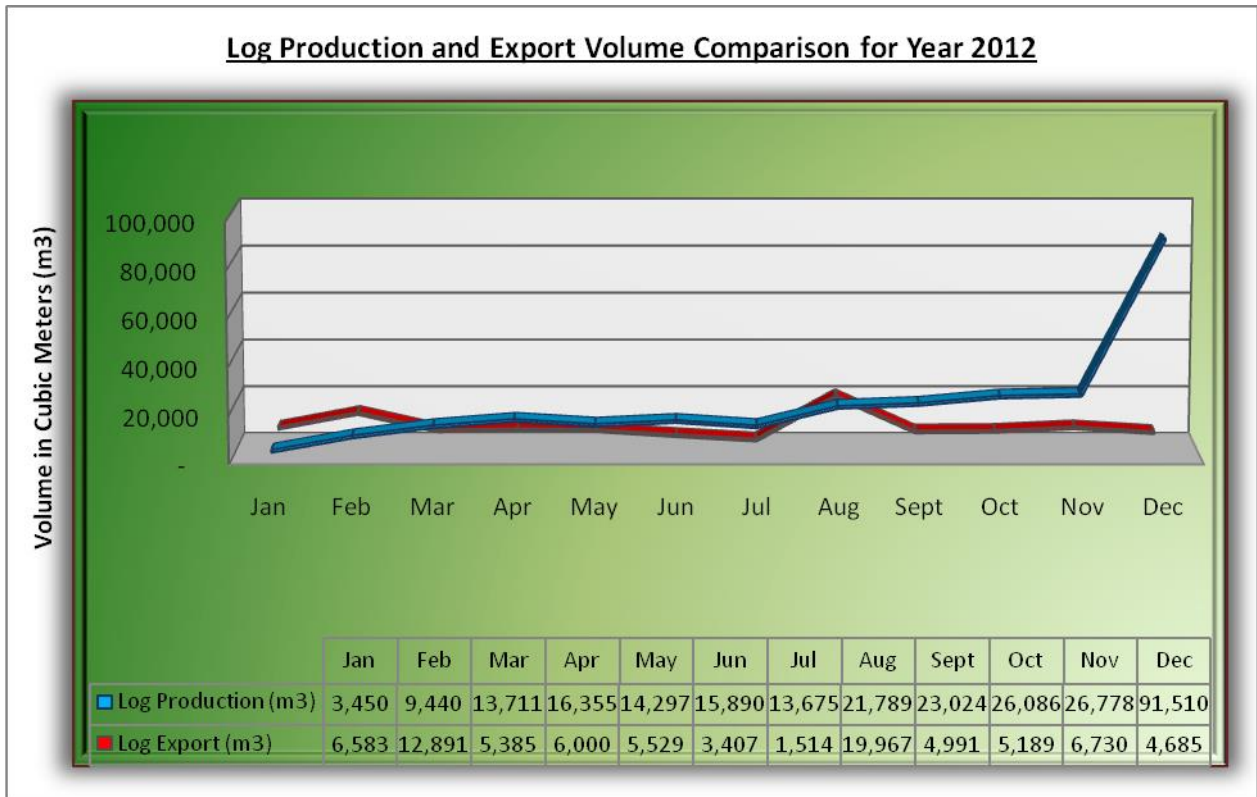
		<b>Dec-12 Total</b>	Dec-11 Total	Jan - Dec 2012 Volume	<b>Jan - Dec 2011 Volume</b>
<b>PRODUCTS</b>	Unit				
<b>TIMBER PRODUCTS</b>					
<i>Logs</i>	m <sup>3</sup>				
<b>Total Logs</b>		<b>91,510.56</b>	<b>96,838.12</b>	<b>276,010.02</b>	<b>294,627.70</b>
<i>Roundwood</i>	m <sup>3</sup>				
<b>Total Roundwood</b>		<b>1,817.42</b>	<b>3,327.63</b>	<b>16,563.14</b>	<b>14,756.16</b>
<i>Primary (Chainsaw) Lumber</i>	m <sup>3</sup>			-	
<b>Total Primary Lumber</b>		<b>9,467.05</b>	<b>6,502.00</b>	<b>74,942.13</b>	<b>76,117.38</b>
<i>Splitwood</i>	m <sup>3</sup>			-	
<b>Total Splitwood</b>		<b>31.97</b>	<b>3.27</b>	<b>160.66</b>	<b>199.75</b>
<b>Total Fuelwood</b>		<b>2,942.90</b>	<b>4,943.80</b>	<b>36,787.35</b>	<b>35,865.64</b>
<i>Veneer</i>	m <sup>3</sup>	<b>901.00</b>	<b>551.00</b>	<b>11,744.00</b>	<b>14,974.10</b>
<i>Plywood</i>	m <sup>3</sup>	<b>892.00</b>	<b>1,588.00</b>	<b>10,577.00</b>	<b>13,316.48</b>
<b>NON - TIMBER FOREST PRODUCTS</b>					
Wattles	pieces	40,143	35,814.00	419,870.00	349,764.00
Manicole Palm	pieces	32,268	158,185.00	1,827,385.00	2,342,575.00
<b>Total Timber, Fuelwood, Plywood and Veneer</b>	<b>m<sup>3</sup></b>			<b>426,784.31</b>	

(Compared to Jan - Dec 2011)

PRODUCT	Jan - Dec 2012		Jan - Dec 2011	
	Volume	Value	Volume	Value
	m <sup>3</sup>	US\$	m <sup>3</sup>	US\$
<b>Logs</b>	82,875.20	13,926,410.75	97,539.16	13,898,404.21
<b>Sawnwood</b>	23,976.60	19,375,960.15	29,513.15	21,850,795.51
<i>Dressed</i>	8,266.86	9,536,556.46	9,636.33	10,423,488.61
<i>Undressed</i>	15,709.74	9,839,403.69	19,877.56	11,427,306.90
<b>Roundwood</b>	6,097.51	2,348,129.57	3,436.08	1,451,624.55
<b>Splitwood</b>	1,934.48	1,751,795.03	1,865.92	1,589,872.06
<b>Plywood</b>	4,344.08	2,193,745.76	1,942.25	1,047,134.95
<b>Veneer</b>	-	-	-	-
<b>TOTAL TIMBER &amp; PLYWOOD</b>	119,227.89	39,596,041.26	134,273.50	39,837,831.28
<b>Furniture</b> (pcs)	154.00	20,196.40	3,148.00	275,641.00
<b>Building Componentry</b> (pcs)	1,665.00	131,342.12	7,258.00	265,022.42
<b>Mouldings</b> (m)	19,663.25	38,874.92	41,122.09	77,988.63
<b>Pre-Fabricated Houses</b> (pcs)	1.00	12,883.63	-	-
<b>OTHER(than Plywood) VALUE ADDED</b>	6,720.75	203,297.07	9,181.41	618,651.68
<b>Fuelwood</b> (m <sup>3</sup> )	9,297.19	214,790.99	8,101.11	197,329.97
<b>Other</b> (pcs)	10,369.00	19,512.97	10,434.00	14,319.51
Wooden Ornaments & Utensils	5,391.00	12,626.15	2,845.00	6,068.00
Craft	4,878.00	6,886.82	7,589.00	8,251.51
<b>Non - Timber Forest Products</b> (pcs)	2,346.00	38,117.05	1,599.00	3,984.16
<b>OTHER PRODUCTS</b>		272,421.03		215,633.64
<b>Total Export Value</b>		40,071,759.36		40,672,116.68

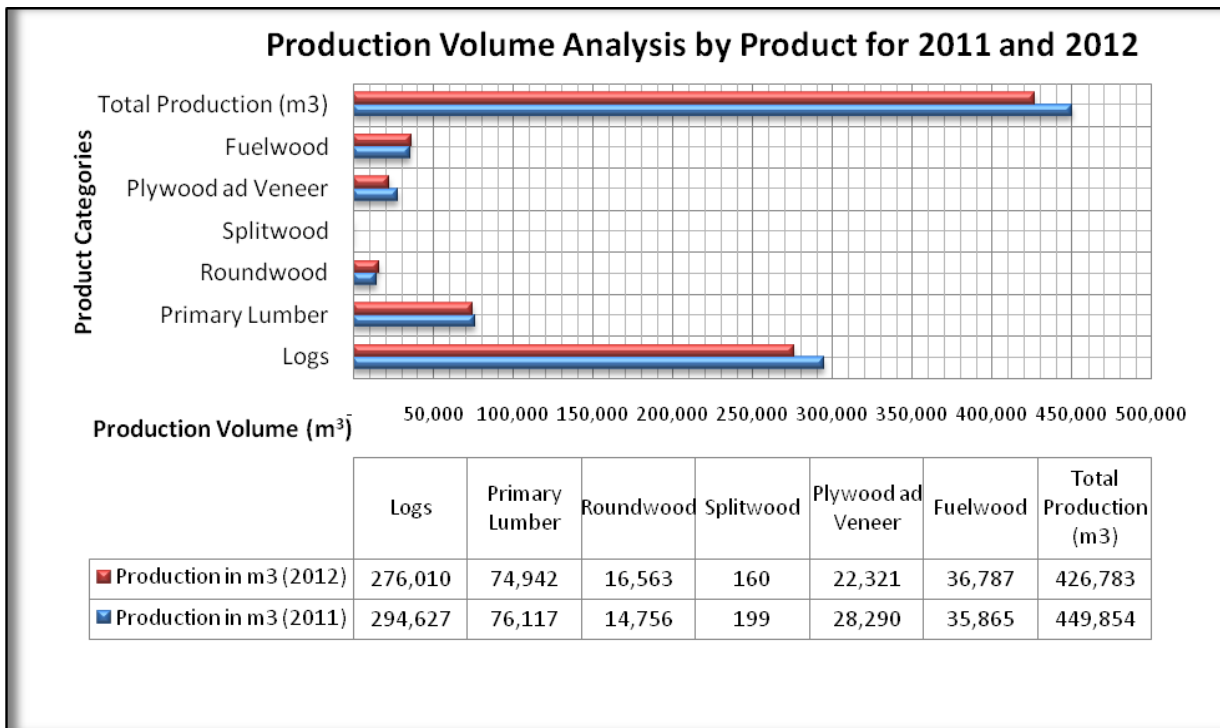
**Log Production and Export**

The graph below illustrates the surplus of log production over exports over the 2012 period. The peak month for log production was December whilst the log export peak was seen in August.



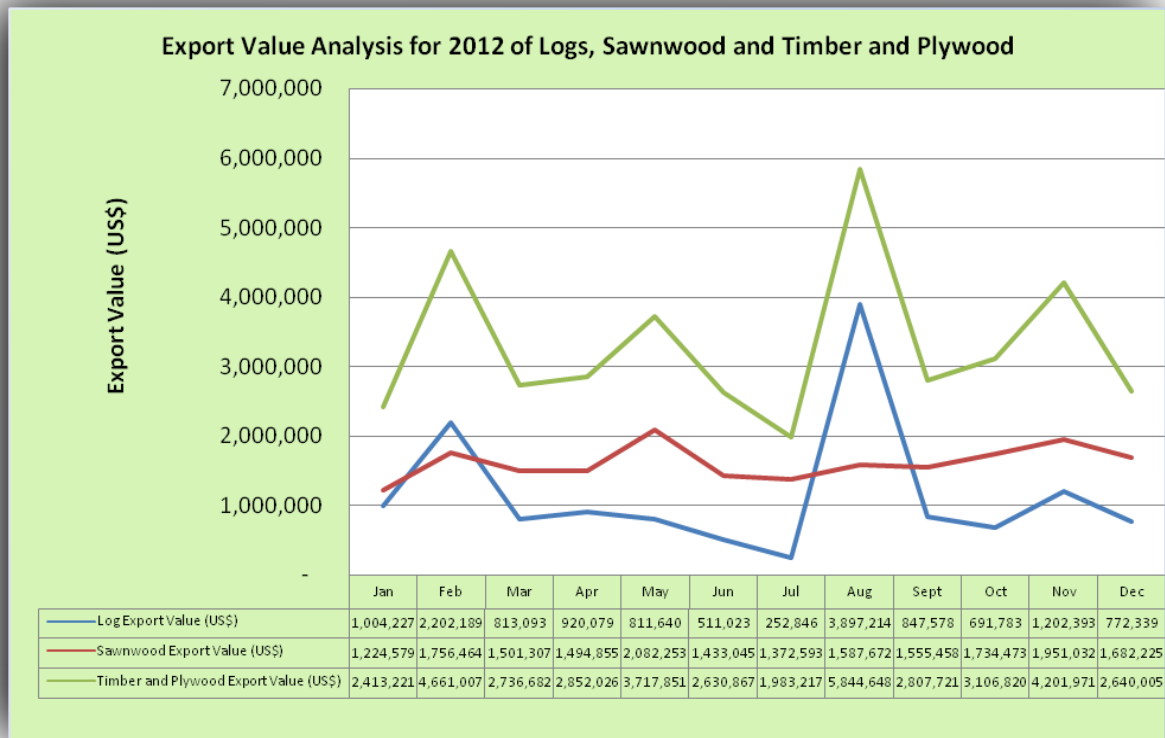
### Comparative Production Volume Analysis

The graph below shows the general trend of forest production by product categories. Over the period 2012, Logs declined by 6.3%; Primary Lumber showed a smaller decrease of 1.54%; and Plywood and Veneer declined by 21%; Roundwood production recorded an increase of 12.25% and Fuelwood showed a 2.57% in 2012.



### Export Value Analysis for 2012

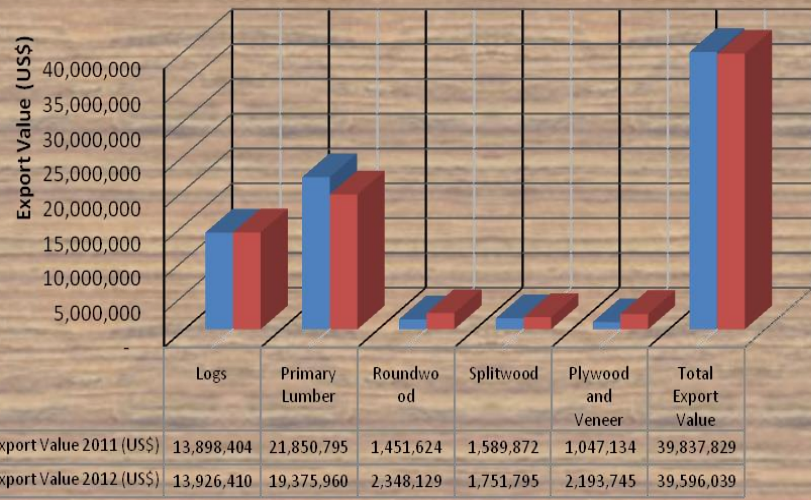
The graph and chart below illustrate the performance over 2012 with export value of Logs, Sawnwood, and the accumulated total of Timber and Plywood. Overall Sawnwood exports accounted for 48% of total export value in 2012, with Logs contributing 34%. Total Timber and Plywood Export value was highest in the month of August with US\$5.8M recorded. Log export value fluctuated across a minimum recorded in July 2012 at US\$252,846 and a maximum for the period in August 2012 of US\$3.9M.



### ***Comparative Export Value Analysis***

Over the period 2012, there was an overall 1.48% decline in the total export value when compared to year 2011. This can be attributed to the marginally lower level of production for the year and also owing to the increased local demand for timber products for the housing and construction industry, as well as the utility sub sector. Sawnwood export value continues to be the highest earner in the export market for Guyana accounting for US\$19.4M in 2012.

Comparative Export Analysis of Export Value by Forest Product Category for 2011 and 2012



## **Forest Sector Initiatives in 2012**

The activities highlighted below were components of the GFC's Programme of Work for 2012 and are also outlined as key priorities in the National Forest Plan 2011, National Forest Policy Statement 2011, REDD+ Governance Development Plan (RGDP), MRVS Road Map, and LCDS, among other strategic documents.

### ***Stakeholder Engagement on the Revised National Forest Plan 2011 and National Forest Policy Statement 2011***

Following the revision of the National Forest Policy Statement and National Forest Plan in 2011, the GFC conducted extensive stakeholder engagement and consultation exercises over 2012 to share with stakeholders, the revised documents.

### ***Further Advancement of the Code of Practice for Processing Operation***

The wood processing sector now has a Code of Practice for Wood Processing Operations (Sawmills and Lumberyards), which provides information on improving the operations and competitiveness of these companies. It also serves as a tool to be used for monitoring the operations by the GFC.

### ***Independent Forest Monitoring (IFM)***

Over the period 16<sup>th</sup> July to 25<sup>th</sup> July, the field audit for IFM was executed to inform the first monitoring exercise. This saw several field visits and inspection being conducted including large concessions, sawmills, and port of export.

The Assessment Report is expected to be finalized in early 2013 and will be published on the GFC website.

### ***Guyana Formalises Partnership with EU FLEGT in 2012***

#### ***National Level Dialogue Continues on EU FELGT***

In 2012, the GFC in collaboration with the Food and Agriculture Organization of the United Nations under the ACP-FLEGT Support Programme, conducted a series of twelve stakeholder consultations across Guyana on FLEGT.

#### ***Guyana Enters into Formal Dialogue with the EU on a FLEGT VP, Joint Statement Issued by the GoG and EU on FLEGT***

In March 2012, the Government of Guyana (GoG) formally announced its decision to enter into formal dialogue with the EU on a FLEGT VPA.

### ***National Preparatory Workshop Held and EU FLEGT VPA Roadmap for Guyana Developed***

The GFC was successful in securing funding from the FAO ACP FLEGT Programme to hold a National Preparatory Workshop to prepare for the first formal negotiations, and to develop a Roadmap for EU FLEGT negotiations process. This Workshop was held on 27-28 September, 2012. Resulting from this project, a Roadmap outlining both elements for implementation and for negotiation was developed. The Roadmap details out the activities, key milestones, start and completion dates and parties responsible for the implementation of each activity.

### ***National Technical Working Group formed and Oversight Framework Developed***

In 2012, a national multi stakeholder steering body for EU FLEGT was formed. This Body, called the National Technical Working Group (NTWG), also had the following Sub-Committees:

- o Stakeholder Engagement and Coordination
- o Legality Assurance System
- o VPA Implementation
- o Independent Audit

### ***First Negotiation Session held with EU on a FLEGT VPA***

Over the period 3-5th December, 2012, the first formal negotiation session was held between the EU and Guyana with the aim of advancing a VPA by September, 2015.

## ***Community Forestry***

### ***Overview of Community Forestry in 2012***

Within the programme, approximately 2,000 members within 68 community forestry organisation/associations, benefitted from the assistance and technical support of GFC. A total 119 concessions accounting for 459,949 hectares of forest land were issued to these Associations.

### ***New Associations Formed in 2012***

Over the 2012 period, three new Associations were formed:

### ***Interagency Collaboration on Community Forestry Areas***

In 2012, GFC supported various aspects of interagency collaboration. Included among these are:

**Ministry of Amerindian Affairs (MoAA)** – The main purpose of this support was aimed at trouble-shooting forestry related issues reported by Indigenous communities to MoAA. The GFC assigned a Community Liaison Officer to MoAA as part of this effort.

**Ministry of Labour** – This was mainly aimed at following up on incorporation of CFOs as either Friendly Societies or Cooperative Societies.



**The Forestry Training Centre Inc. through the Chainsaw Milling Project** – This support was directed to the support of capacity building in the area of chainsaw milling.

**Ministry of Health** – This participation was with the objective of representing GFC at the Country Coordinating Mechanism Committee of Guyana for the Project supported by Global Funds.

A second area of collaboration with the Ministry is in the area of control of Vector diseases in Guyana.

***Development of a CFO Training Guide***

Over the period 2012, a Training Manual for CFOs was developed, as well as a Guideline document for Administrative Management of CFOs.

***Improving Awareness of GFC's Requirements***

6 pamphlets were developed outlining key information pertinent to forest users in Guyana. GFC has used every opportunity to issue the pamphlet to Stakeholders who were very receptive to the documents.

***International Report on Guyana's Forest Sector***

In 2012, GFC continued delivering on its reporting responsibility to key agencies including the ITTO and the UNFF.

***National Reporting on Forest Sector Information***

As a core function of GFC, reporting to national agencies on key forest sector data was done routinely in 2012.

The main reports which are drafted for this purpose are:

1. Coordinate Economic Analysis's and Forest Sector Reporting
2. Monitor Performance of the Forest Sector – Concession Level Analysis
3. Monthly Reports on Production, Export and Prices
4. Annual Forest Sector Information Report
5. Half Year Forest Sector Report.
6. Forest Sector Employment Census
7. Domestic Price Survey

The Forest Sector Information Report is a main report published by the GFC on forest sector performance. These reports are available on the GFC's website ([www.forestry.gov.gy](http://www.forestry.gov.gy)).

***Report on Revised Revenue Structure Analysis***

In keeping with the revised Forest Act No. 6 of 2009, a system of new revenue charges is being developed. The main aim is to develop a revenue structure that encourages optimal utilization of

forest resources whilst maintaining economic, social and environmental sustainability. One main aspect of the revised revenue structure, and the topic of this assessment, is that of the charge of stumpage value and other charges.

***National Log Export Policy***

A new log export policy was approved and implemented in 2012. This Policy covers a 3 year period.

***Assessment Paper on Impact of the Protests in Linden on the Forest Sector***

An Assessment Paper analyzing the impact of the Linden Protest on the forest sector was done. Areas that were addressed in the paper include production, export value, employment, markets, and contractual obligations.

**STATE FOREST ALLOCATION:**

*Summary of Land allocation within the Forestry Sector (as at 31<sup>st</sup> December 2012)*

Classification	Count	Area (Hectares)	%	%	%
			Area Type	Total Allocation	State Forest
<b>Production Area Allocation</b>					
State Forest Permission(SFP)	530	1,886,302.00	26.55%	23.13%	14.67%
Wood Cutting Lease(WCL)	2	30,535.00	0.43%	0.37%	0.24%
Timber Sale Agreements (TSA)	27	4,232,643.20	59.58%	51.91%	32.93%
State Forest Exploratory Permits (SFEP)	7	954,179.00	13.43%	11.70%	7.42%
<b>Total Production Area Allocation</b>	<b>566</b>	<b>7,103,659.20</b>	<b>100.00%</b>	<b>87.11%</b>	<b>55.26%</b>
Permanent Research & Reserve Areas					
GFC Forest Reserves	11	17,796.00	1.69%	0.22%	0.14%
Other Research & Reserves Sites	2	1,032,903.00	98.31%	12.67%	8.04%
<b>Total Research &amp; Reserve Area</b>	<b>13</b>	<b>1,050,699.00</b>	<b>100.00%</b>	<b>12.89%</b>	<b>8.17%</b>
<b>Total Forests Allocated</b>	<b>579</b>	<b>8,154,358.20</b>			<b>63.43%</b>
Unallocated Forests		4,700,448.80			36.57%
<b>Total State Forest</b>		<b>12,854,807.00</b>			
Iwokrama Research Site		371,592.00			
Kaieteur National Park		63,000.00			

There were 476 active SFPs at the end of December, 2012.

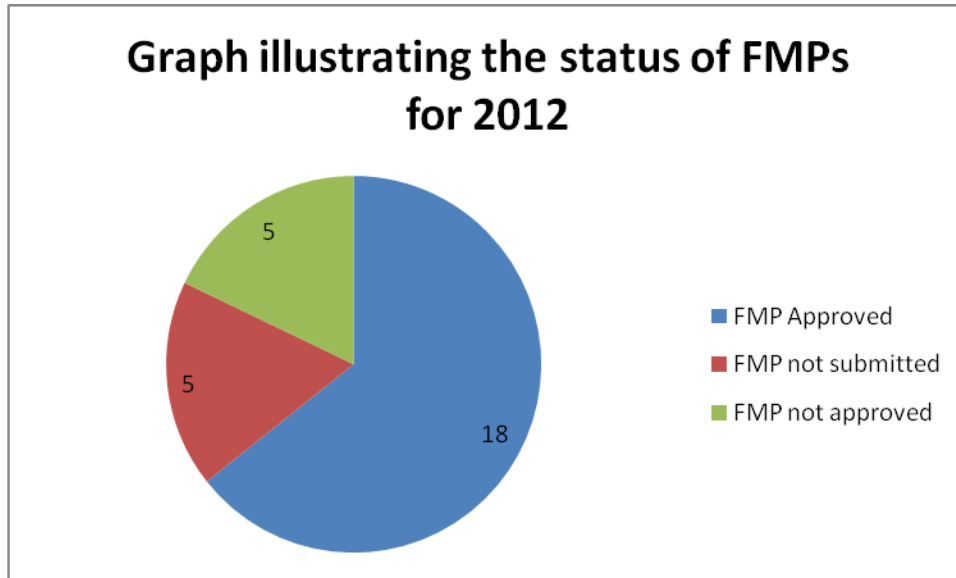
***Table showing the breakdown of all active SFP.***

<b>Divisions</b>	<b>Number of active SFPs</b>
Essequibo	163
Demerara	153
Berbice	140
NWD	20
<b>Total</b>	<b>476</b>

## **Forest Management Plans**

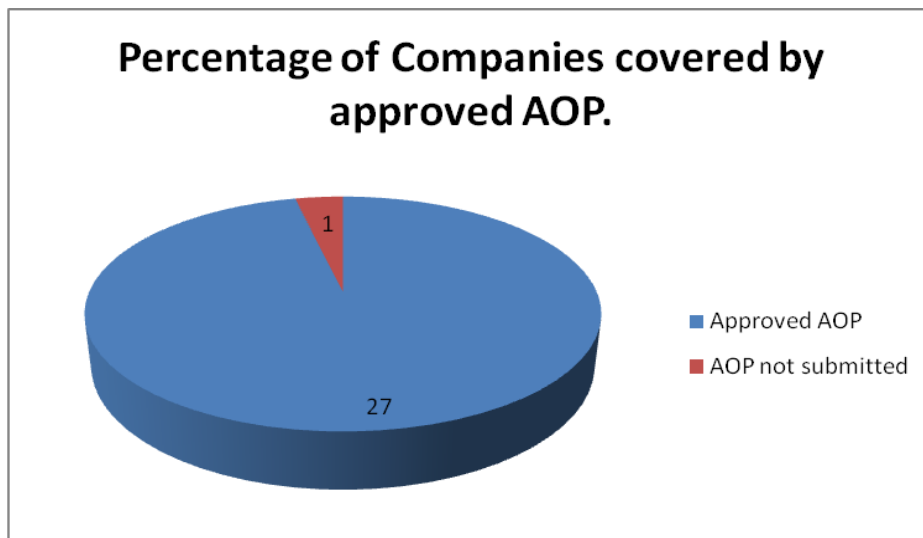
The GFC continued to monitor the implementation of approved Forest Management Plans and Annual Operation Plans in 2012.

From a total of twenty- eight (28) active large concessions, eighteen (18) FMPs were approved.



## **Forest Annual Plans of Operations**

96% of Companies submitted an AOP and all have an approved AOP for the report period. The only company without a submission is Toolsie Persaud Timber Traders TSA 01/12; this is a new large concession allocated in 2012 and has not commenced logging operation.



Toolsie Persaud Timber Traders TSA 01/12 was the only large concession allocated in 2012.

Three SFEPs were allocated for 2012 as shown below.

<b>New Companies</b>	<b>Folio number</b>
Grand Bright Forestry	SFEP 03/12
Jetto Lumber Yard and Sawmill	SFEP 02/12
Variety Woods and Greenheart Limited	SFEP 01/12

## **Monitoring of Forest Operations**

GFC has a very robust system of monitoring to cover all facets of operations inclusive of harvesting, processing, exports. Strategically located forest stations are located country-wide, in addition to mobile patrols. Further, GFC has resident officers on all large concessions.

This initial monitoring is complemented by other units, including the Internal Audit Unit. The sum total of these internal mechanisms is a very functional and operational system which has been applauded by international as well as national stakeholders.

We also encourage our direct and indirect stakeholders to provide monitoring feedback via several well publicized channels.

The Table below shows the location of the fixed Forest Stations.

<b>Demerara</b>	<b>Berbice</b>	<b>Essequibo</b>	<b>North West</b>
1. Soesdyke (24 hours) Divisional Forest Office	1. Canje (Divisional Forest Office),	1. Parika (Divisional Forest Office),	1. Mabaruma,
2. Georgetown,	2. Springlands,	2. Bartica,	2. Port Kaituma
3. Linden (24 hours),	3. Kwakwani,	3. Iteballi,	3. Kwebana Amerindian Reservation
4. Mabura.	4. Bamboo landing,	4. Manaka,	4. Moruca Amerindian Reservation
5. Moraballi Reserve	5. Orealla	5. Supenaam	
6. Moraikobai	6. Scatter Rock	6. Arpiarco,	
7. Maria Elizabeth/ Three Friends	7. Morokabai Amerindian Reservation	7. Anarika	
8. Ituni	8. Three Friends - comaka	8. Buckhall,	
9. DTL / Backdam	9. Hururu Amerindian Reservation	9. Charity	
10. Nagasar Sawh	10. Goat Landing	10. Annai	
	11. Kurunduni	11. Lethem	
	12. Haimorakabra	12. Butakari	
	13. WAICO	13. Winiperu	
		14. Vaitarna	

## **REDD Secretariat**

### **Overview of the REDD Secretariat**

As part of Guyana's efforts to provide an enabling environment for the facilitation of key technical aspects of REDD+ activities, the REDD Secretariat (RS) has been established as a unit within the Guyana Forestry Commission (GFC). The Secretariat has been tasked with responsibility for the coordination and implementation of key technical REDD+ activities as detailed in Guyana's Low Carbon Development Strategy framework.

#### **Overview of Main Areas of Work of the Division**

##### ***Avoided Deforestation through Consolidation and Creation of Protected Areas and Carbon Financing Mechanisms in the Guiana Region***

Under Output 1 of this project, the services of an Environmental Services and Carbon Modelling Expert was sought, for which Winrock International was awarded the contract. The following activities were conducted:

An evaluation of the requirements necessary for the development of a monitoring system for other ecosystem services and an examination of the requirements of integrating monitoring of ecosystem services into the proposed existing framework for the national MRVS.

Complete assessment of the drivers of forest degradation, examine impact on forest carbon stocks, and develop a framework for monitoring of forest degradation within Guyana's forests. Provide recommendations for the integration of this aspect into the MRVS framework.

Exploration of methods and approaches for establishing reference levels and develop historical trend reference scenario for looking at land cover change, forest carbon density and deforestation and forest degradation. From this activity, the report, Establishing a Reference Level for REDD+ in Guyana, as well as a Reference Level tool were developed. The report summarized guidelines and/or criteria for the establishment of RLs in keeping with UNFCCC decisions, and develop a historical trend reference scenario for Guyana for the time period 2000 to 2011.

#### ***Year 2 Forest Area Change Assessment Completed***

The Guyana Forestry Commission's Guyana REDD+ Monitoring Reporting & Verification System (MRVS) Interim Measures Report for the period 01 October 2010 – 31 December 2011 was completed on 26 July, 2012 after a period of stakeholder review, accuracy assessment and independent verification.

Forest change of forest to non-forest excluding degradation between October 2010 and December 2011 (15 months) is estimated at 9 889 hectares. Over the Year 2 reporting period, this equates to a total deforestation rate of 0.054%. This rate of change is largely similar, and a small percentage lower than Year 1 - October 2009 to September 2011 (12 months) which was reported as 0.056%. The results of the



independent accuracy assessment conducted by the University of Durham (UoD) also calculated a similar rate of change for Year 2 (0.053%). At the end of the Year 2 period, the area of forest remaining is estimated at 18.378 million ha. The accuracy of the mapping as calculated by the UoD is 96.8% (See Appendix 10).

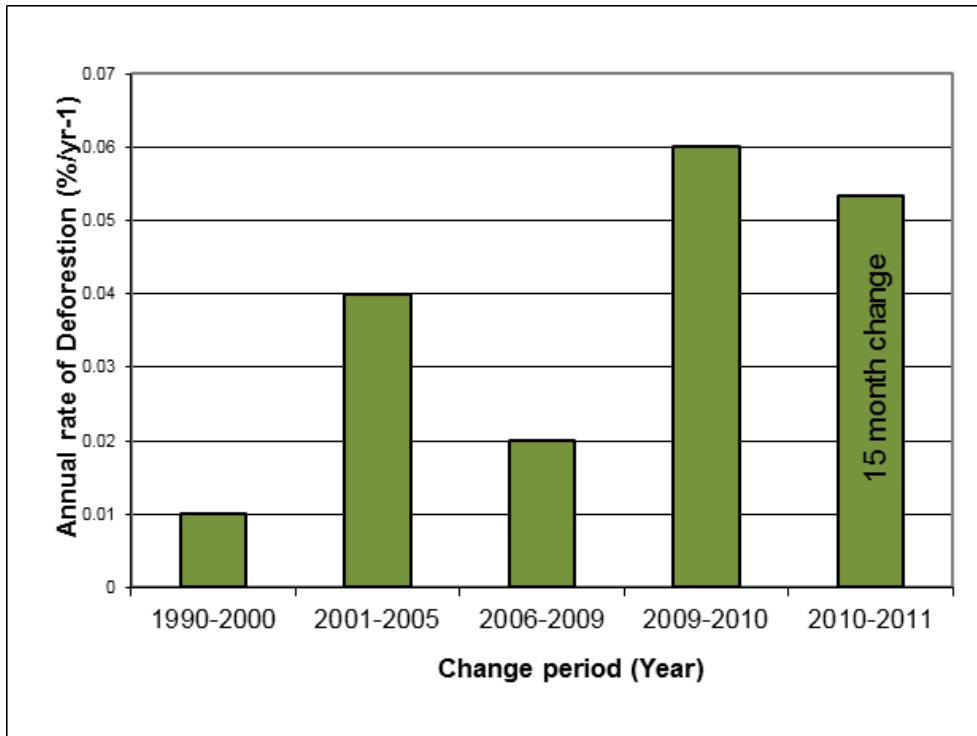
Significant progress was made in Year 2, in mapping forest degradation. The area of degradation as measured by direct interpretation (based on a degradation study) of the 5 m RapidEye satellite imagery is 5 460 ha.

Below is a tabular summary with maps of the main results of the assessment conducted in 2012:

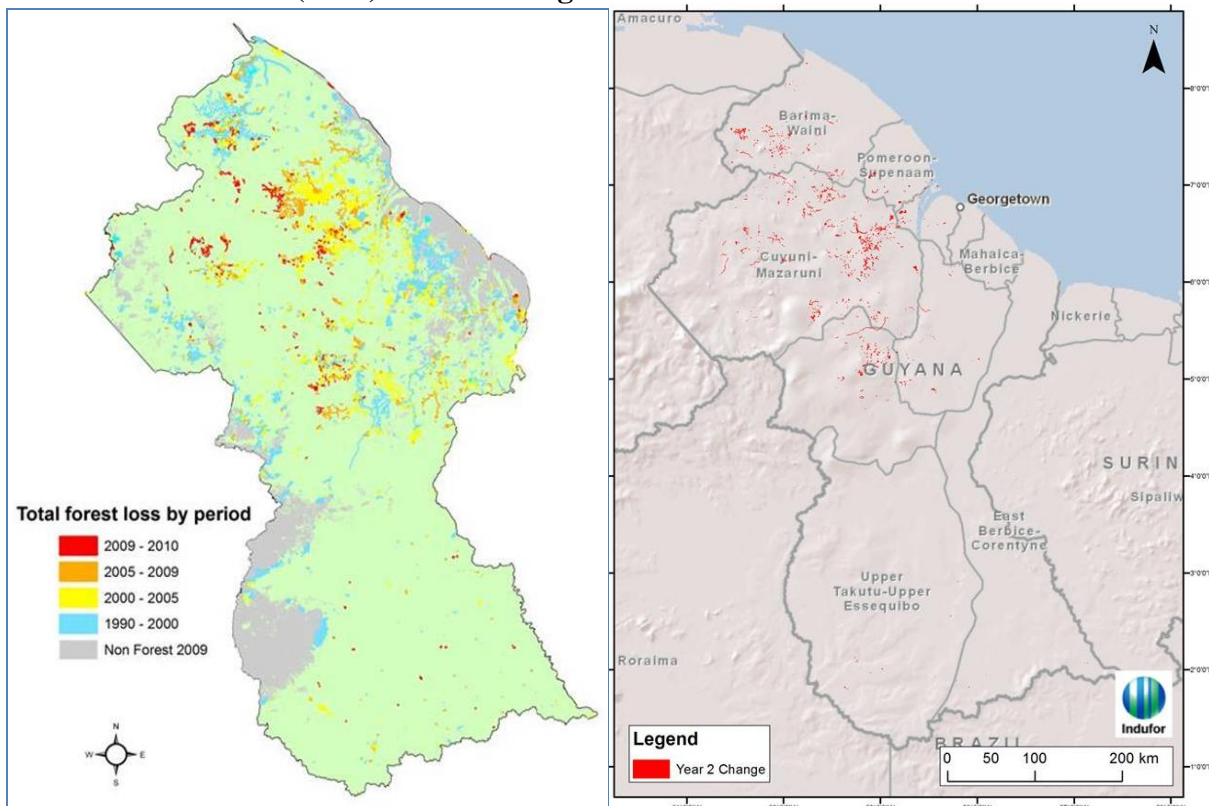
### Forest Change Area by Period & Driver from 1990 to 2011

Driver	Historical Period			Year 1 2009-10	Year 2 2010-11 (15 months)	
	1990 to 2000	2001 to 2005	2006 to 2009		Deforestation	Degradation
	Area (ha)					
Forestry (includes forestry infrastructure)	6 094	8 420	4 784	294	233	147
Agriculture	2 030	2 852	1 797	513	52	N/A
Mining (includes mining infrastructure)	10 843	21 438	12 624	9 384	9 175	5 287
Infrastructure	590	1 304	195	64	148	5
Fire (deforestation)	1 708	235		32	58	28
Amaila Falls development					225	
<b>Area Change</b>	<b>21 267</b>	<b>34 249</b>	<b>19 400</b>	<b>10 287</b>	<b>9 891</b>	<b>5 467</b>
Total Forest Area of Guyana	18 473 394	18 452 127	18 417 878	18 398 478	18 388 190	
Total Forest Area of Guyana Remaining	18 452 127	18 417 878	18 398 478	18 388 190	18 378 299	
Period Deforestation %	0.01%	0.04%	0.02%	0.06%	0.05%	

### Annual Rate of Deforestation by Period from 1990 to 2011

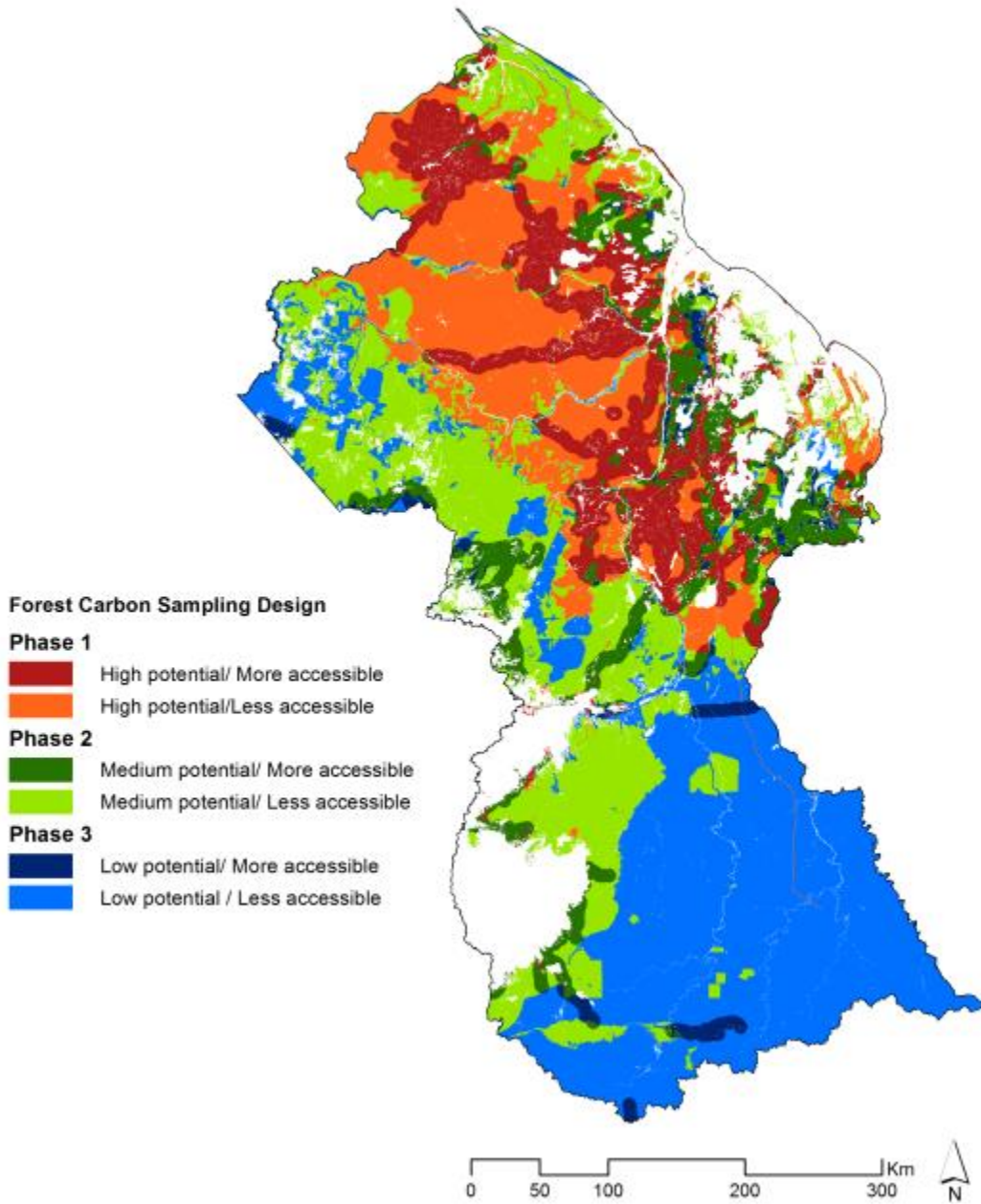


### Historical & Year 2 (2011) Forest Change



### **Forest Carbon Measurement System (FCMS) in Guyana**

Work on the FCMS in 2012 ensured the completion of Phase 1 of the project.



**Carbon stocks by pool in Guyana's forests.**

Carbon Pool	Carbon Stocks (t C ha <sup>-1</sup> )	
	More Accessible	Less Accessible
Aboveground Tree	187.2	284.8
Belowground Tree	44.0	66.9
Saplings	1.2	1.3
Dead Wood	11.9	14.8
Litter	5.6	5.6
Soil Carbon (top 30 cm)	105.5	87.9
<b>Total (without soil)</b>	<b>249.7</b>	<b>373.3</b>
<b>Total (with soil)</b>	<b>355.2</b>	<b>461.2</b>

A variety of methods were used to estimate the impact of timber extraction on forest carbon stocks and the resulting emission factors are given in the table below.

**Emission Factors used for estimating total emissions for degradation due to timber harvest. LDF – logging damage factor; LIF – logging infrastructure damage factor (skid trails), and CLTP – fraction of a given product class that goes into long term storage.**

Driver	Emission Factors	
	Unit	t CO <sub>2</sub>
LDF	per m <sup>3</sup>	3.59
Wood Density of Timber Harvested	per m <sup>3</sup>	1.38
LIF (Skid Trails)	per km	141.3
Regrowth in gaps	per ha per yr	18.3
CLTP	Fraction	
Sawnwood		0.10
Woodbase panels		0.02
Other industrial roundwood		0.01

A Long Term Monitoring Plan was developed on the way forward in the implementation of the FCMS.

**MRVS- Demonstration Activities**

The Community MRV Project was officially launched on January 28, 2012 in Annai. The GFC has been working along with the Iwokrama International Centre for Rainforest Conservation and Development (Iwokrama), Global Canopy Programme (GCP) and the North Rupununi District Development Board (NRDDB) in developing a way forward on this project.

### ***Guyana' Readiness Preparation Proposal - FCPF***

The IDB conducted a mission during the period January 30- February 3, 2012. The objectives of the mission were to initiate discussions with the Guyana Forestry Commission (GFC) and relevant partners on the priority areas of support under the Forest Carbon Partnership Facility (FCPF) project in Guyana.

The GFC was updated by the IDB that negotiations on the Transfer Agreement negotiations with the World Bank were finalized, and the process was initiated for the IDB internal approval process.

### ***CD REDD II- GHG Inventory Workshop***

CD-REDD II is co-financed by the German International Cooperation (GIZ) on behalf of the Government of the Federal Republic of Germany, and Guyana has been invited to be part of the process through the Coalition for Rainforest Nations (CfRN). The primary aim of the Project is to build up in-country capacity to prepare a national GHG inventory for emissions and removals related to the Agriculture, Forestry and Other Land Use (AFOLU) sector, with focus on forest-related GHG fluxes in selected developing countries.

### ***IDB Project (KCP) - Developing Capacities to Implement REDD+***

The general objective of this KCP is to provide support to the Government of Guyana in the process of developing and implementing its REDD+ Strategy. Taking in account Guyana's Readiness Preparation Proposal (R-PP) and MRV Roadmap, the specific objectives are the following: i) enforce forest-related policies to improve institutional governance in the forest sector; ii) improve knowledge and understanding of sustainable forest management at community level to improve forest protection and conservation and iii) build national capacities in technical key areas to foster forest planning and monitoring. This project will be executed over a 24 month period and the estimated total cost of the TC is US\$735,000. It aims to conduct the following activities:

- Component I - National Forest Policy Framework
- Component II - Forest Resources Assessment and Resources Management at Community Level
- Component III - Institutional Strengthening of Guyana's Forestry Commission

### ***Guiana Shield Facility***

As a follow up of the Guiana Shield Initiative (GSI) project, the Guiana Shield Facility (GSF) was established. The overall objective of the Guyana Shield Facility (GSF) is to promote and support the conservation and sustainable development of the Guiana Shield eco-region. A project concept note was developed by the GFC, in consultation with the National Multi stakeholder Steering Committee (NMSSC), which was convened to oversee the progress of the GSF. The MRVS SC has been tasked with the responsibility of being the NMSSC of the GSF. The Project Concept Note proposes four (4) main activities to be executed under this GSF funding:

1. Development of National Reference Level
2. REDD+ Consultations on development of the National MRVS
3. Exploration of Co-benefits under the MRVS
4. Development of national REDD+ Strategies

### ***ROBIN PROJECT***

The project is funded by the European Union, through its Seventh Framework Programme, under the Sub-programme Area: Potential of biodiversity and ecosystems for the mitigation of climate change

ROBIN will deliver the knowledge and tools required to inform large-scale policy and local resource use decisions for the delivery of multiple ecosystem services under future scenarios for socioeconomic and climate change.

### ***Contribution to Guyana Chapter for GOFC GOLD CIFOR Publication***

The GFC was invited to initiate the development of a synthesis report on country experiences on forest monitoring and REDD+ MRV activities.

The article formed part of the publication **Capacity Development In National Forest Monitoring, Experiences And Progress For REDD+**, which was officially presented at Doha, Dubai in December 2012.

### ***Revision of the COP for Timber Harvesting***

With support from UNDP, under the project **Support to the Office of the President for the Low Carbon Development Strategy (LCDS) and Climate Change**, the GFC was able to conduct a revision of the COP for Timber Harvesting.

## Proposed initiatives for GFC for 2013

A number of initiatives are planned for 2013 under the following thematic areas:

Thematic Areas Actions	2013 Plans
* <b>Stimulation of greater foreign and local investment in the sector and added value activities.</b>	<ol style="list-style-type: none"> <li>1. Guyana has initiated Independent Forest Monitoring at the national level which will give buyers a national level verification of compliance level. IFM prepares for a second assessment period.</li> <li>2. The level of efficiency and quality of forest products produced are expected to improve with the implementation of a Code of Practice for Processing Operations. The CoP for Processing undergoes second year of phased implementation.</li> <li>3. The model community processing operation will be used as a pilot for other forest operators.</li> </ol>
* <b>Promotion of sustainable management through reduced impact logging</b>	<ol style="list-style-type: none"> <li>1. Community training conducted with at least 30 community forestry organizations in a range of areas including SFM and RIL.</li> <li>2. The Legality Assurance System for the VPA is developed in the area of finalizing the definition of forest legality to be applied for Guyana.</li> </ol>
* <b>Increase community access to and management of forestry resources</b>	<p>Projected for 5 new community associations to be established with a corresponding increase in land allocation.</p> <p>Training in governance, accountability and transparency provided to at least 50 CFOs.</p>
* <b>Training and capacity building at all levels in the sector</b>	<p>Projected training level for 2013 is expected to be 380 persons. Training efforts will be lead by the Forestry Training Centre Inc.</p>
* <b>REDD+ and support to the LCDS</b>	<p>Work will continue in 2013 in advancing the work under REDD+ readiness and in further developing and implementing the Monitoring Reporting and Verification System.</p> <p>Implementation of the REDD+ Governance Development Plan (Sections 1-14) will also continue in 2013.</p>
* <b>Log Export Policy Review</b>	<p>A new National Log Export Policy will be in its second year of implementation. This targets the increase in local added value production in the forest sector as well as job creation, and increased export revenue.</p>
* <b>EU FLEGT</b>	<p>Guyana further advances discussions and negotiations with EU FLEGT with the aim of finalizing a VPA.</p>
* <b>Value adding, investment support and market development.</b>	<p>In 2013, the Forest Products Development and Marketing Council will intensify its efforts in promotion of added value activity in the forest sector and will work closely with the GFC, Forest Products Association, Guyana Manufacturers and Services Association and GOINVEST, as well as other related bodies, in this regard.</p>
* <b>New Revenue Structure</b>	<p>Work will continue in 2013 in developing and finalizing a new revenue structure for the forest sector. This new structure should further promote optimal sustainable utilization of forest resources.</p>
* <b>National and International Reporting</b>	<p>GFC continues to fulfill requirements of reporting at national and international levels on forest sector data.</p>