

**National Forest Programme  
in Guyana**

**September 2004**

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**ABBREVIATIONS**

CC	Conservation Concession
CPEC	Caribbean Program for Economic Competitiveness
DFID	Department for International Development
EPA	Environmental Protection Agency/Act
FAO	Food and Agriculture Organization of the United Nations
FPA	Forestry Products Association
FSC	Forest Stewardship Council
FTC	Forestry Training Center
GDP	Gross Domestic Product
GFC	Guyana Forestry Commission
GMA	Guyana Manufacturers Association
GNIFC	Guyana National Initiative for Forest Certification
GPAS	Guyana Protected Areas System
GSA	Guyana School of Agriculture
ITTO	International Tropical Timber Organisation
NDS	National Development Strategy
NGO	Non-Governmental Organization
PROFOR	Global Program for Forests
SFEP	State Forest Exploratory Permit
SFP	State Forest Permission
TAC	Treaty of Amazonian Cooperation
TFF	Tropical Forest Foundation
TGP	Tropenbos – Guyana Program
TSA	Timber Sales Agreement
UG	University of Guyana
UNDP	United Nations Development Program
WCL	Wood Cutting Lease
WWF	World Wildlife Fund

## 1. INTRODUCTION/GUYANA'S FOREST

The total area of Guyana is 214,970 sq. km of which 76% is forested. Although the majority of the country is heavily forested, there are some significant areas that have no natural forest such as the Rupununi and Intermediate Savannas and some parts of the Pakaraima Mountains. The Coastal belt which is inhabited by the majority of the country's population of approximately 750,000 is used mainly for agricultural production and urban infrastructure.

The Guyana Forestry Commission (GFC) is the Government of Guyana Agency responsible for the proper management of 13.6 million ha. of State forest. Of this 13.6 million hectares, approximately 52% has been allocated under the following categories:

Name	Abbreviation	Hectares	Duration	Remarks
State Forest Permission	SFP	8,000	2 years	The GFC issues a harvesting quota to the concessionaire, based on a rapid assessment inventory appraisal. Renewable based on compliance with GFC/Government of Guyana Guidelines.
State Forest Exploratory Permit	SFEP	8,000 and above	3 years maximum	Issued as a pre-cursor to a TSA, WCL or Conservation Concession. During the 3 year duration the concessionaire has to do a forest inventory, an Environmental and Social Impact Assessment and prepare a Forest Management Plan. A TSA, WCL or Conservation Concession is issued upon successful completion and review of these by the GFC and Environmental Protection Agency.
Wood Cutting Lease	WCL	8,000 to 24,000	10-15 years	Managed under a 5 year Forest Management Plan and an Annual Plan of Operation. Renewable based on compliance with GFC and Government Guidelines.
Timber Sales Agreement	TSA	In excess of 24,000	25 years (renewable)	-do-
Conservation Concession	CC	8,000 and above	25 years (renewable)	-do-

To assist in carrying out its mandate, the GFC is guided by a National Forest Policy (1997) which has as its overall objective **“The conservation, protection, management and utilization of the nation’s forest resources, while ensuring that the productive capacity of the forest for both goods and services is maintained or enhanced.”** Recent development in the field of Amerindian Land Titles and the establishment of the Guyana Protected Areas System (GPAS), have resulted in land uses that have had some impact on the original GFC jurisdiction of the State forest estate. However, it has also created new initiatives by the GFC in fields such as community forestry.

Guyana’s forest comprises the common mix found in the tropical areas: Seasonal, swamp, mangrove, montane, marsh, and dry evergreen forest. Specific for the country are the greenheart (*Chlorocardium rodiaei*) and for the Guiana Shield, the Wallaba (*Eperua spp*) and Mora/Morabukea (*Mora spp.*) forests.

Although utilization of the Guyana forest has occurred for centuries, the practice of selective logging has guarded against any clear-felling of forested areas. Timber contributed about 3.5% to the Gross Domestic Product (GDP) in 2003 and export earnings were in the vicinity of US\$38 million in 2003.

In the Annexes, an overview of data on State Forest Lands, State Forest Concessions issued, Current and Proposed Protected Areas, Mining Concessions and Amerindian Land Titles is presented in map designs. Other useful information can be found in the Country Report Guyana, prepared in 2001 for GTZ.

## **2. LEGAL STRUCTURE**

The activities of the GFC are governed by 2 Acts. The Guyana Forestry Commission Act of 1979 establishes the GFC and outlines the functions of the Commission, including financial provisions. The Forest Act of 1953 governs the declaration of state forests, the issuance of forest concessions and permits to remove forest produce, protection of Forests, offences and legal proceedings. This forest act has accompanying regulations.

The 2 Acts mentioned above will soon be replaced by new Acts. These new draft Acts are expected to be tabled in Parliament soon. They are the result of a process of extensive multiple consultations with all stakeholders: producers/The Forest Products Association (FPA), manufacturers/The Guyana Manufacturers Association (GMA), Amerindian Organizations, Government of Guyana Ministries and Agencies, University of Guyana. This process dates back as far as 1998.

The basic principle of the revised draft Forest Act as compared to the existing Forest Act is that it addresses Sustainable Management of all forest products, as well as of all forest operations. It looks at the multiple use function of the forest as opposed to the forest being only a source of timber. The revised draft Forest Act also allows for the issuance of conservation concessions and for the empowerment and improved livelihoods of local Communities by giving them legal access to state forest lands. This revised law is with the Government of Guyana Cabinet and hopefully will be approved by Parliament this year.

The revised Forest Act also makes it mandatory for the submission of acceptable forest management plans and annual operational plans and requires monitoring of the implementation of these plans by the GFC. The GFC Code of Practice for Forest Operations details precisely the environmental and social standards that concessionaires must abide with. All forest operations also have to comply with the requirements of the Environmental Protection Agency Act of 1997 and a Memorandum of Understanding (EPA-GFC) was signed in 1997 to promote active collaboration between the 2 agencies, and to ensure optimal cooperation in the monitoring process.

The existing and revised draft Acts both respect the right of Amerindians (Indigenous Peoples). Forests in Amerindian Reservations are excised from the State Forest Estate.

To enforce the forest law, the GFC is staffed with 160 employees at the Professional, Sub-Professional, Technical and Support staff levels. An entire division is dedicated to monitoring concessionaires for compliance with the GFC and Government of Guyana guidelines, as well as to assist in revenue collection on behalf of the state.

### **3. POLICY AND GUIDELINES**

To enable it to effectively carry out its mandate, the GFC has several documents to provide guidance. The preparation of these documents was coordinated by the GFC through a very participatory approach involving a wide range of local and international stakeholders.

The National Forest Policy was designed to establish principles to guide the GFC and related sector organizations/stakeholders. These principles emphasize the following:

- Forests are the patrimony of all Guyanese citizens.
- They are increasingly important as a source of income and wealth for the people of Guyana.
- There is an increasing public interest in the environment and sustainable forest management, that is, making use of forest resources without irreparable damage to the environment.

The forest policy also emphasizes the importance of the multiple use of Guyana's forests and the need to focus on value-added processing. Specific areas looked at in the National Forest Policy include land use, forest management, forest industries and research.

The existing law (Forest Act 1953) addresses Contracts, Timber Sales Agreements, Leases, Permits for forest produce, ownership of forest produce, forest protection and offences/legal proceedings. Compliance with the law is satisfactory. The majority of the concessionaires work in accordance with the GFC Code of practice for forest operations and confirm to the control mechanisms that are in place.

The third significant policy document formulated by the GFC is the draft National Forest Plan. This draft was produced in 2001, and though it has not been formally approved by the Government of Guyana, it has formed the basis of the GFC Annual work plan preparation since 2002.

The National Forest Policy and draft legislation place obligations on the GFC. The draft National Forest Plan identifies the programs and activities that must be accomplished to promote implementation of the policy and compliance with the law. The draft plan also identifies responsibilities for monitoring and providing feedback to the policy and planning process.

#### **4. MONITORING**

To enable monitoring of forest operations, the GFC has 19 forest stations that are located countrywide at strategic locations. This is also part of the GFC's efforts to decentralize its operations since the forest stations do not only play a monitoring role; they also act as a centre for information, resolution of issues, education and public awareness. Each station has an open day once a month where any member of the public can come and request information/assistance. Each station is staffed with competent officers who are well equipped with the relevant tools to do their job (radio/vehicle/motorcycle/boat/field gear and equipment). Each station also has maps and the forest management and annual plans of the concession areas that fall within its geographical range.

The GFC has a system of removal permits to monitor the transport of forest produce from the forest to its final destination.

A log tagging system has also been implemented. In this process, half of the log tag is placed on the cut stump; the other half on the log being transported. If the log is converted into lumber in the forest, the tag is placed on the set of lumber. This allows the GFC to trace forest produce back to its origin in the forest and has played a very great role in reducing illegal felling activities.

In addition to the forest stations, the GFC has established 24 hour checkpoints at the major transit routes for forest produce. These measures have resulted in Guyana now being recognized by the International Tropical Timber Organization as one of “only six countries that appear to be managing some of their forests sustainably at the forest management unit level...” (Poore, 2000).

## **5. NATIONAL FOREST PLAN**

### **5.1 The 2001 Draft National Forest Plan**

The draft National Plan is divided into several programs which follow the main areas of action identified in the policy. These programs are:

- National Forest Program
  - National Forest Policy
  - Forest Legislation
  - National Forest Plan
  
- Forest Zoning and Classification
  - Forest zoning
  - Forest Classification
  
- Forest Resource Management
  - Forest Resource Planning and Allocation
    - Forest Inventory
    - Concession Allocation
    - Forest Management Plans

- Forest Operation monitoring and regulation
  - Codes of Practice
  - Monitoring of forest operations
  - Forest revenue
  
- Forest Industry
  - Forest Industry Investment
  - Forest Products Marketing
    - Grading rules for timber and non-timber products
    - Marketing strategy for timber and non-timber products
    - Research and information
    - Forest Sector information
    - Forest Sector Education and Training
    - Social Development Program

Many of the activities outlined in the plan have already been started and some are at a very advanced stage.

For example, the National Forest Policy, Legislation and National Forest Plan were all completed, with the latter two awaiting approval. The GFC has recognized however that since the National Forest Policy was approved in 1997, and the draft Plan completed in 2001, significant changes have occurred in the forestry sector both locally and internationally. As such, in the third quarter of 2004 there was a very thorough consultation process with the stakeholders to update these two key documents. This is discussed in more detail in the next section of this report.

With respect to forest zoning and classification, work has been done with the other natural resource and land use agencies and a National Land Use Committee has recently been constituted to take this process forward. A National Forest Inventory has been completed and the GFC is now able to provide stakeholders with information on forest types present in their concession area.

The GFC has a very transparent allocation process where all areas to be allocated must be publicly advertised. Applications are reviewed against a detailed set of criteria and after the GFC has made its recommendation, the applications are further reviewed by a Technical Sub-Committee of the GFC Board of Directors. Final approval is given by the Board. The transparency of the process is highlighted that over the past 5 years, only 2 unsuccessful applicants have requested a review, this review clearly showed that there was no merit in their appeal.

The GFC has guidelines for the preparation of forest management plans and annual operational plans. These guidelines are made available to the stakeholders and extension assistance is also provided to them by GFC. It is now mandatory for companies that have an area of 8,000 ha or more to submit Forest Management Plans and Yearly Operational Plans for approval by GFC before harvesting.

With respect to Code of Practice, the GFC in consultation with the sector has developed a Code of Practice for Forest Operations. This Code specifies the environmental and social standards to be complied with. The GFC has also played an important role in raising the awareness of the sector on issues such as forest certification. These efforts have led to the establishment of an NGO, The Guyana National Initiative for Forest Certification (GNIFC). GNIFC working closely with the GFC has coordinated the development of National Standards for Forest Certification which will be hopefully endorsed by the Forest Stewardship Council (FSC) by end of 2004.

Codes of Practice are also being prepared for selected non-timber forest products. Guidelines for conducting forest inventories have also been prepared. Grading rules for the sector have been developed and a code of practice for processing operations is being done by an MSc. Student.

The GFC currently does not have the capacity to undertake research. However, the GFC coordinates the implementation of research by local/overseas researchers on priority topics which were identified at a Priority Setting Workshop held in 2000.

Recognizing the need for concessionaires to be provided with accurate real-time information, the GFC has placed a lot of emphasis in this area. The Forest Resource Information Unit can now provide maps in GIS format, a web site with information on market trends, Guidelines etc., is being updated, and the Library is now fully operational.

The GFC contributes to forest sector education and training by providing support to the University of Guyana, the Guyana School of Agriculture and Secondary and Primary schools. This support is in the form of financial assistance, field trips, educational material and guest lectures. The GFC was also instrumental in obtaining funding for the continuation of the MSc. in Forest Biology at the University of Guyana.

The GFC has also collaborated with ITTO and the Tropical Forest Foundation (TFF of USA) to establish the Forestry Training Centre and provide training in Reduced Impact Logging to the sector. Recognizing that the success of the decentralization process would require the support of the Ministries of Local Government and Amerindian Affairs, the GFC has also provided training in Community forestry initiatives to key officers of these Ministries.

A major focus of the GFC is on Community Forestry and Social Development. The Government's policy is that natural resources of the country must be utilized sustainably so that employment opportunities are created and the use of the resources results in an improvement in the livelihood of local communities. The GFC has been instrumental in coordinating the formation of several community forestry organizations, issuing the communities with state forest lands, and educating them on the guidelines for sustainable forest management. Education in good governance of organizations is also provided, especially in areas such as transparency and accountability. In all instances it is stressed that the forest lands are given for the benefit of the Community and not a few individuals.

The GFC also creates linkages among the community forestry organizations, funding agencies, buyers etc., so that the Communities get some financial assistance to undertake their operations.

The Social Development Program has adopted an inter-agency approach. A Community Liason Committee with representatives from various hinterland communities to identify the specific community problems and look at ways to address same.

## **5.2 Appraisal of the National Forest Policy/Draft National Forest Plan (2004)**

As indicated earlier, the National Forest Policy and draft Plan were completed in 1997 and 2001 respectively. A decision was taken to have these documents updated and approximately 20 stakeholders meetings were held over a two month period. The methodology was as follows:

- Distribution of current documents and publicizing of meeting at least 1 week in advance.
- Overview of the objective of the Consultation.
- Presentation of the current document to the stakeholder group by a senior GFC member of staff.
- Allow time for clarifications on the documents if necessary.
- Working group discussions on the documents. The group discussions were guided by questions which requested persons to add any activities they felt were necessary/delete any that were no longer inappropriate/prioritize the various activities.
- GFC senior staff acted as resource persons at these consultations.

The response to this exercise was most encouraging. Persons were very appreciative of the opportunity to contribute to the revision of the forest policy and plan.

The exercise also highlighted some deficiencies at the level of the GFC. For example, had it not been for this consultation, many stakeholders may not have had access to these documents. Also, even though GFC's efforts at decentralization were lauded, there was criticism that most activities still targeted the more populated areas.

From the consultations, it was evident that the stakeholders felt that the forestry sector could do more for them and the country. The majority of persons agreed that :

- It was necessary to improve the contribution of the forestry sector to the GDP
- Employment opportunities should be maximized
- Sustainable Forest Management had a significant role to play in poverty alleviation
- The range of species being used should be expanded
- Export of logs needed to be restricted and more value-added processing done
- Lands that were not being utilized, or under-utilized should be re-possessed and re-allocated to those who could beneficially occupy them to maximum potential
- GFC needed to improve its level of customer service especially in the processing of licences, and the approval of applications.

In terms of activities to be focused on in the revised document the consensus was that more attention should be focused on:

1. Zonation of the state forest estate to reduce or eliminate land use conflicts
2. Community Forestry and the Social Development Program
3. Promotion of lesser used species
4. Promotion of more value added processing/Kiln drying/Quality control
5. Reduction of waste in processing
6. Marketing of forest produce internationally
7. Promotion of Plantation forests
8. Rehabilitation of degraded areas
9. Maximum sustainable utilization of allocated forests
10. More decentralization in public awareness/education/training
11. Computerization of GFC field stations countrywide

The National Forest Policy and Plan are currently being revised to take into account this stakeholder feedback. As mentioned earlier, the GFC Annual Work Plan is based on National Forest Plan; as such, priorities identified by stakeholders will be immediately addressed. This consultation exercise highlights an important element of

forest management in Guyana- all stakeholders are given the opportunity to actively contribute to the formulation of national policy.

## **6. SPECIAL ACTIVITIES**

### **6.1 Community Forestry/Small Loggers**

The GFC has been instrumental in coordinating the formation of small loggers' associations and providing them with access to State Forest Lands. This approach has two distinct advantages:

- It allows the individual operators to pool their limited resources together and work a relatively large area (40,000 acres and above) in a unified manner under a sustainable forest management regime and for the benefit of the entire community. It also enables them to benefit from a long term lease and enables greater access to financing from lending agencies.
- It allows for easier monitoring and management of the forest estate by the GFC. Rather than having to deal with 400 plus individual concessionaires, the GFC has the relatively easier task of dialogue and interface with 4 community associations.

To date the following small loggers association have been formed, representing in excess of 430 members.

- Region 10 Agricultural and Forest Producers Association (200 + members).
- Upper Berbice Forest Producers association (100 + members).
- Ituni Small Loggers Association (100 + members).
- Canje Forest Producers Association (30 + members).

Other associations now in the process of being formalized are:

- Port Kaituma Forest Producers Association
- Corentyne Loggers Association
- Bartica Forest Producers Association

This initiative by the GFC has been welcomed by the communities since it has had a positive impact on improving cash flows within the communities, and an improved standard of living.

## **6.2 Community Forestry (North Rupununi District Development Board ) (NRDDB)**

The GFC in 2002 started discussion with the NRDDB, a legally registered body that represents 14 Amerindian Communities in the North Rupununi (Region 9).

To date, the GFC has issued the NRDDB with 40,000 acres of State Forest Estate for immediate harvesting access under sustainable management guidelines that have been agreed on by both the NRDDB and GFC. A joint management level inventory has already been done for this 40,000 acres, and another joint inventory exercise will be done for an additional 300,000 acres of State Forest that have been identified for the NRDDB. A management plan will be done for the area, and a Timber Sales Agreement for 25 years (renewable) issued to the NRDDB.

Recognizing the limited financial resources available to the NRDDB, the GFC has been instrumental in creating linkages between NRDDB and 3 private sector forestry operators. These linkages include the purchase of logs and lumber at market prices from the NRDDB by the forestry operators, and the provision of equipment, training and extension services by the forestry operators and the GFC to the NRDDB. Actual operations will begin in September 2004 on the 40,000 acres of State land that is immediately accessible. It will result in an estimated profit to the community of US\$30,000.00 per month, in addition to employment for approximately 50 persons.

### 6.3 Conservation Concessions

The 1997 National Forest Policy emphasized the multiple use aspect of the forest, and made it possible for the issuance of Conservation Concessions.

In 2000, the Government of Guyana was approached by Conservation International – Guyana (CI-G) for a conservation concession. The Government agreed for the issuance of an area of 200,000 acres of undisturbed State Forest to be granted as a long term lease via the State Forest Exploratory Permit (SFEP) process. This entailed the execution of an Environmental and Social Impact assessment, A Forest Inventory and the preparation of an Area Management Plan. These documents were reviewed by the GFC and EPA, approved, and a Conservation Concession was issued to CI-G in 2001 for 25 years (renewable). The Concession was issued subject to the following mutually agreed guidelines:

- CI-G would pay to the GFC, a minimum royalty that was similar to what a traditional forest operation would pay.
- CI-G would pay acreage fees on an annual basis in accordance with the normal schedule of acreage fees for forestry operations.
- No logging would be done on the concession.
- Research would be permitted. Any finances (commercial activities) arising out of the research done would go towards the Government of Guyana.
- The payment of minimum royalty and acreage fees would be revised through a consultative process.

Monitoring of the concession is done on a regular basis and CI-G has employed persons from neighbouring Amerindian Communities to assist in maintaining the integrity of the concession.

## **6.4 Guyana Protected Areas Systems**

The GoG established a Protected Areas System in 1999. This includes the existing Kaieteur National Park, established in the 1920 – ties, and a special protected area of the GFC, the Moraballi Reserve. Here in the period 1930 – 1950, important scientific data on forest and tree dynamics were collected. The Reserve was re-examined in the late 1990 – ties.

The Protected Areas Secretariat, in collaboration with the National Parks Commission, and the EPA, identified additional areas to be protected. This was done through a participatory process with all segments of society involved.

Divided over approx. 10 proposed areas, some 10-12% of Guyana's/land area, covering all major vegetation types as well as habitat for Guyana's wildlife, will become part of the Protected Areas System.

Partners for the GoG and the EPA in this endeavour will be Conservation International and Germany, through funding by KfW. There is a good possibility that also funds from the Global Environmental Facility will become available.

## **7. SPECIFIC PROBLEMS**

### **7.1 Lack of population pressure**

Guyana's population is concentrated along the coast, using a small strip of land for agriculture and urban infrastructure. Only about 15% of the total population is scattered over 95% of the country.

This has a number of effects, hardly or not seen in other countries

- There is no “fight” for land in terms of lack of shortage of land.
- There are only some asphalt roads, but none of these are in the interior.

This has resulted in situation whereby it is very expensive (and thus unlikely) that the GoG will have the funds to construct new roads in the interior.

*In other countries opening up areas creates an influx of people, and subsequent development of businesses. This is not the case in Guyana.*

Thus, only mining for gold and diamond is an activity which has shown an increase over the last years. Development of the agriculture and the forestry sector far away from the local market ( and all infrastructure, including ports and airports) is not very beneficial (= costly).

Consequently, initiatives such as conservation concessions, small loggers association with special leases, and community forestry, have become alternatives which are financial attractive for the investors as well as the GoG / GFC.

## **7.2 Land Rights – Amerindians**

The GoG has made substantial progress in the field of Amerindian Lands. Over 50% of Amerindian Communities have officially accepted their Land Title. This means that the Areas described in the Amerindian Land act 1969 have been properly surveyed, and changes have been made following requests/remarks of the communities.

This work will continue. However, some communities have demanded such substantial enlargement of their area that the negotiation process to come to an agreement might take years.

The Amerindian Act, dealing with rights and duties of the Amerindian Peoples, in addition to those of the Constitution, is under revision. This Draft New Act is expected to be tabled in Parliament in Mid 2005 (although some politicians speak of the end of 2004).

Some outstanding matters in this field are:

- What property rights do the communities have for the area of the Land Title?
- Do they have to follow National Laws, such as the Environmental Protection Act - and the Forest Act, or can they do their own approach?

Property rights can be restricted to vegetation and 50 cm of soil. But some request “full rights” including all mineral rights/resources, almost as a state in the state.

National Law, according to some are only to be applied when considered useful for the communities. An unfortunate example of the oldest Land Title community, Orealla, shows that such thinking is not very beneficial. This community has completely logged their forest, and now applies for additional land.

### **7.3 Multiple – use of forests**

The users of the forest in today’s Guyana are:

- Amerindians – through Land Titles
  - traveling along rivers and creeks
- Companies in the forestry sector – wood/timber
  - non-timber products
- Tourism – Eco tourism
  - River trips
- Conservationist – Conservation concessions
- Government of Guyana – Guyana Protected Areas System
- Wildlife traders and hunters

These activities can often be combined without disturbing specific work. However, there are also strict differences or totally opposing interests.

Another category of “users of the forests” are those involved in Mining. Mining in itself can never be sustainable, however, environmental best practices can avoid/minimize damage to the forest/vegetation in mining area’s. Even more important is to avoid damage to the water systems:

- pollution of rivers/creeks
- sedimentation of soil/through dredge mining
- disturbance of watershed water levels by building dams, etc.

The best option for a friendly co-existence, which is at the same time environmentally sound, has to be established.

## **8. FINANCING MECHANISM FOR THE FORESTRY SECTOR**

The GFC collects revenue on behalf of the state. This revenue is in the form of acreage fees, royalties on the volume of forest produce harvested, sawmill and other licence fees etc. After the GFC's operational costs have been met, a reserve is retained and the remainder goes to the Government's Consolidated fund. Revenue collected has been poor in the past, but has improved dramatically since the GFC instituted mechanisms such as mutually agreed repayment plans, re-possession of areas etc.

The new legislation caters for revenues based on areas of productive forest and a revenue study is currently being conducted to define accurately the financial flows in companies.

It has been shown that forestry as a raw material resource contributes approximately 3.5 % to the GDP. This is substantially below its potential, given the extent of the forest cover in Guyana. Discussions with the larger players in the industry indicate that access to low cost financing to invest in the sector is a tremendous hindrance to growth. Concessionaires complain that they are making little or no profits. They also indicate that it is more lucrative for them to export logs rather than convert the logs to lumber.

Studies by the GFC seem to indicate that this situation is linked to obsolete processing equipment and poor marketing strategies. The majority of the large capital intensive processing operations in the country operate at a recovery rate of less than 40 % A grade lumber. The competition amongst concessionaires for markets is fierce and

distrust is prevalent. Rather than collaborate as a united block to meet market demands, there is often undercutting of prices.

It is critical that the large operators move towards retooling and adopting a unified marketing strategy. This however is a costly exercise. Whilst the Government has given support in the form of tax holidays and duty free concessions, it has been made clear that the forestry sector must obtain investment finance and working capital from one or more of the following sources: personal resources, equity issues, borrowing, direct foreign investment, or overseas development aid. These all seem to be difficult to access.

Loans to the forestry sector are seen as high risk ventures, but even if accessible, are at minimum interest rates of 17 %. Most local companies are family owned and are either reluctant to offer equity to outsiders, or vice versa- outsiders are suspicious of investing in the family owned operations. Overseas development aid was previously channeled to companies, but poor management and corrupt practices have made donors very wary of providing assistance to individual companies.

The GFC however has benefited considerably from donor funding that has resulted in a complete re-structuring and re-organization of the commission increasing its efficiency and competence. Unfortunately the same cannot be said for the companies in the sector, except for some of the better managed local companies, and some of the foreign owned entities.

The smaller operators have easier access to credit facilities from large business entities and lending agencies. This generally requires some form of collateral. The requirements of the smaller operators however are much lower than those of the larger operators, their overheads are much lower, and they do not have to prepare costly management and annual operational plans. Their “social cost” is also much less than that of the larger operators who sometimes have very costly social obligations to their employees.

Whilst individual companies have had difficulty in accessing financing for their specific operations, the Government of Guyana has been fairly successful in obtaining donor funding to undertake many activities listed in the draft National Forest Plan. These are discussed in more detail in section 6.

## **9. INTERNATIONAL ACTIVITIES IN THE LOCAL CONTEXT**

The forestry sector has benefited considerably through donor funding over the past 8 years.

Through funding provided by the United Kingdom's Department for International Development (DFID) the GFC was able to go through a very positive transformation. This process commenced in 1996, and formally came to an end in 2001.

The Certification process in Guyana begun in 2000 with technical support from the UNDP Global Program for Forests (PROFOR). The process was coordinated by the GFC and an Interim Working Group (IWG) comprising balanced representation of stakeholders from social, environmental, economic and institutional interests was formed with one of the main tasks being to choose a certification option for Guyana. In 2001, the IWG took a decision to go for a national certification standard based on the FSC principles and criteria. It was also agreed that the possibility of other international endorsements of the standard at a later stage should be an option.

After this UNDP process came to an end, funding was secured from the World Wide Fund for Nature (WWF) to continue the certification activity. Through WWF funding, an active NGO, the Guyana National Initiative for Forest Certification (GNIFC) was registered as a legally recognized body under the Friendly Societies Act. This NGO has coordinated the preparation of a draft national standard which has been field tested using funding provided by US AID. The draft has been since sent to FSC for endorsement.

WWF has also provided funding financial assistance to some companies that have opted to go for direct FSC certification.

WWF has also provided funding for:

- A strategic plan for the Forest Products Association (FPA).
- Increase the membership of the FPA.
- Assistance in the formation and institutional strengthening of Community Forestry Organizations.
- Involvement of the local community groups in discussion on forest policy issues.
- Conducting research on priority research topics.

In addition, WWF has contributed to the preparation of a project proposal for the establishment of a Timber Marketing Council that was recently submitted to the ITTO for approval and funding.

The forestry sector has been the recipient of donor funding through the ITTO for the establishment of a vocational training centre to teach Reduced Impact Logging (RIL). In 2000, the ITTO sent an expert team to conduct a diagnostic review of the forestry sector. Based on this review, it was strongly recommended that a Marketing Council be established. A proposal for the establishment of this Timber marketing Council was recently submitted to ITTO.

An international forest based program in Guyana (Iwokrama International Centre for Rain Forest Conservation and Development) has also benefited from ITTO funding to establish a Sustainable Forest management model.

The sector is currently benefiting from an FAO funded project entitled **“Strengthening Participatory Approaches to Community Forestry management in Ghana, Guyana and Uganda”** This project has provided staff of the GFC, the Ministries of Amerindian Affairs and Local Government with training in participatory approaches. Using these techniques, officers have been able to work with local communities to assist them in the formulation of community management plans. This project has also provided training to the staff on important issues such as Conflict management and allowed them to educate the residents of local communities on the GFC guidelines.

Through funding from the Caribbean Program for Economic Competitiveness (CPEC), the GFC was able to translate its main guidelines into user friendly manuals, and carry out a training of trainers activity with staff from the GFC and other stakeholder groups. These trainers will shortly be going countrywide to educate other stakeholders on the GFC guidelines.

The Tropenbos-Guyana Program (TGP) was a major contributor to forest research in Guyana for over 12 years. This program formally came to an end in December 2001, but informal linkages are still very strong. Through its research, TGP played a supportive role in Guyana's forest sector development. The program also had a strong capacity building component leading to the training of several Master's and Doctoral level students. A major success of this program is the amount of scientific publications generated on Guyana's forest resources, very useful tools for current forest management initiatives.

## **10. PRESENT COOPERATION WITH AMAZON BASIN COUNTRIES**

Treaty of Amazonian Cooperation (TAC): The GFC is currently participating in Project TCP/RLA/3007 "Validation of 15 Prioritized indicators of sustainability of the Amazon Forest". The overall objective of this project is to validate the indicators of sustainability of the Amazon forest management system. Other countries involved in this project are: Bolivia, Brazil, Colombia, Ecuador, Peru, Suriname, Venezuela.

TAC: The GFC participated in the development of a strategic plan for TAC (2003-2010). The GFC is a representative on the Sub-Commission on Environment of the Permanent National Commission.

TAC: The GFC benefited from access to the website corresponding to the TAC via linkage through Venezuela.

ITTO: At ITTO meetings, GFC is part of regular discussions with other Amazonian basin Countries attending ITTO so that common positions are taken on issues.

UNFF: At UNFF meetings, the GFC participates in group discussions with other Amazonian Basin countries so that common positions are taken on issues.

LACFC (Latin American and Caribbean Forestry Commission): The GFC is currently one of the Vice-Presidents of this Commission. During this tenure, the GFC has arranged regional workshops (in collaboration with FAO and WWF ). These workshops were:

- 3<sup>rd</sup> Meeting of the Ad-hoc Working group on the Continental Forestry of the Caribbean sub-group within the LACFC. The main objective of this meeting was to exchange experiences in forest management amongst Suriname, Guyana, French Guyana, Belize.
- Regional Expert Consultation on Forestry Education and Training. This consultation was to identify areas of potential collaboration amongst forestry institutions and to assess the demand and need for a Regional Forestry education Network. Participating countries included : Guyana, Venezuela, Suriname, Belize, Puerto Rico, St Lucia, St Vincent, Jamaica, Trinidad, Cuba, Germany.
- ITTO: A workshop on lesser used species was held in Brazil in 2002. This workshop had the objective of promoting lesser known and under-utilized species on the local/international market that had similar properties as the traditionally used species. The list of lesser used species that were agreed on as being suitable for promotion was then put on the ITTO database of lesser-used species for international promotion.

## **11. PRIORITIES FOR INTERVENTIONS**

- ❖ Promotion of the revised National Forest Policy and National Forest Plan. The GFC is in the process of finalizing these documents. However, for them to be effective in promoting good forestry management, the stakeholders must have access to them in the physical form. In addition,

workshops have to be held to help persons to fully understand the documents and to keep them informed on progress re implementation of the plan. The use of the media to publicise and promote these documents is also recommended.

- ❖ Support to the Community Forestry Program. This program is extremely important to aid in improving livelihoods of hinterland residents. The GFC can make areas of state forest available to hinterland communities but this will not be fully effective unless support systems are put in place. Institutional strengthening of the organizations has to be done, there has to be access to financing, marketing and negotiating skills have to be developed, Capacity building has to be done at the level of the local communities.
- ❖ Promotion of lesser used species. This promotion has to be at the level of the public, the logger, sawmiller, building contractor, consumer. The GFC will have to identify the species to be promoted, make samples of these lesser used species available to the processing facilities, contractors etc, educate all stakeholders on the possible uses. Possible incentives for concessionaires who market these species would have to be looked at. The promotion has to be targeted to both local and overseas markets.
- ❖ Marketing of Forest Products internationally. The Marketing Council proposal sent to ITTO will hopefully be approved. The GFC will then have to lobby for funding from ITTO member countries.
- ❖ Computerization of GFC field stations. The process of decentralization will be catalyzed if all field stations are computerized. This will also result in access to real time data. It will also remove subjectivity on the part of officers since the various permits/documents can now be computer generated with very strict controls.
- ❖ Promotion of value added processing, kiln drying and high quality products. This will require some innovative financing mechanisms to be

made available so that the sector can retool and invest in appropriate technology.

- ❖ Identification of and transfer of appropriate technology. The use of improved technologies will increase efficiency and productivity, as well as reduce waste. This is for all stages of operations.
- ❖ Public awareness/Education/training. This needs to be done on a sustained basis. The Training in Reduced Impact Logging is vital for those companies that are moving towards forest certification. This training however needs to be subsidized since concessionaires will never be able to pay the real costs of the training.
- ❖ Establishment of Pilot Plantations. This is important especially since the native species are slow growing and maximum annual allowable cut is 20 m<sup>3</sup> per hectare. To be competitive increases in yield have to materialize through silvicultural treatments and the establishment of plantation forests. Trials can be done with fast growing local and exotic species.

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