TERO
COOPÉRATIVE D'EXPERTS ENGAGÉS

Data collection of the baseline of the EU-Guyana VPA Impact monitoring framework

(ARB-2024-0443 –EU FLEGT VPA PROGRAMME)

Baseline study – Reviewed version from March 2026

EU FLEGT VPA PROGRAMME

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This baseline study was prepared by Tero team of consultants: Iris Parrot, Patrick Chesnay, Olivier Lasbouygues and Sherica Isaacs, within the framework of the consultancy commissioned by the French Development Agency, Eticwood and E-Sud.

The analyses, interpretations, and recommendations expressed are solely those of the authors and do not necessarily reflect the official views of the partner institutions.

List of abbreviations

Acronym	Meaning
AAC	Annual Allowable Cut
AFD	French Development Agency
APA	Amerindian People Association
APFA	Available Productive Forest Area
AWU	Annual Work Unit
BoS	Bureau of Statistics
CFMA	Community Forest Management Agreement
CSO	Civil Society Organization
DLUPP	Democratic Land Use Planning Project
EFITAP	European Forest Institute Technical Assistance Project
EITI	Extractive Industries Transparency Initiative
EU	European Union
FAO	Food and Agriculture Organization
FCA	Forest Concession Agreement
FLEGT	Forest Law Enforcement, Governance and Trade
FMD	Forest Monitoring Division
FPA	Forest Producers Association
FPIC	Free Prior and Informed Consent
FSC	Forest Stewardship Council
FSIR	Forest Sector Information Report
FSO	Forest Sector Operators
FTCI	Forestry Training Centre Inc.
FTE	Full Time Employment
GDP	Gross Domestic Product
GEITI	Guyana Extractive Industries Transparency Initiative
GFC	Guyana Forestry Commission
GGMC	Guyana Geology and Mines Commission
GL&SC	Guyana Lands and Surveys Commission
GMSA	Guyana Manufacturing and Services Association
GRA	Guyana Revenue Authority
GTLAS	Guyana Timber Legality Assurance System

GVA	Gross Value Added
GYD	Guyanese Dollar
HBS	Household Budget Survey
IFM	Independent Forest Monitoring
IICA	Inter-American Institute for Cooperation on Agriculture
ILO	International Labour Organization
IMF	Impact Monitoring Framework
INDC	Intended Nationally Determined Contribution
ITTO	International Tropical Timber Organization
JIF	Joint Implementation Framework
JMRC	Joint Monitoring and Review Committee
LC	Large Concessions
LCDS	Low Carbon Development Strategy
LD	Large-scale Forestry Concessions
LFS	Labour Force Survey
MoF	Ministry of Finance
MoL	Ministry of Labour
MRVS	Measurement, Reporting, and Verification System
NIS	National Insurance Scheme
NIWG	National Implementation Working Group
NGO	Non-Governmental Organization
NIWG	National Implementation Working Group
NPPO	National Plant Protection Organization
NTC	National Toshaos Council
NTWG	National Technical Working Group
OSH	Occupational Safety and Health
PAYE	Pay As You Earn
PMU	Project Management Unit
PPE	Personal Protective Equipment
SFA	State Forest Authorizations
SFEP	State Forest Exploratory Permit
SFM	Sustainable Forest Management
SFP	State Forest Permission
SLP	Small Logging Permit

SNA	System of National Accounts
SPWP	Secondary Processed Wood Products
TLAS	Timber Legality Assurance Systems
ToR	Terms of Reference
TSA	Timber Sales Agreement
UNFCCC	United Nations Framework Convention on Climate Change
VAT	Value-Added Tax
VC	Village Council
VPA	Voluntary Partnership Agreement
WCL	Wood Cutting Lease
WWF	World Wildlife Fund

A. Executive summary

This baseline study, prepared by TERO, is the final deliverable of the consultancy *Data Collection for the Baseline of the EU–Guyana Voluntary Partnership Agreement* (VPA) *Impact Monitoring Framework*. The consultancy was commissioned under the EU-FLEGT VPA Programme (French Development Agency). The VPA aims to promote legal timber trade, strengthen forest governance, and ensure the inclusion of all stakeholders in the forest sector. Within this framework, the consultancy contributes to *Strategic Task 5* of the Joint Implementation Framework (JIF), and more specifically to *Activity 5.1.2: the development of a VPA impact monitoring baseline*.

The main objective of the assignment was to establish a robust and contextualized 2018 baseline, from which changes in the forest sector can be measured over time. The study involved a detailed review of secondary data, targeted primary data collection, and engagement with stakeholders through interviews, field visits, focus groups, capacity building session and a validation workshop. The baseline anchors a future monitoring system that will track the social, economic, environmental, and governance impacts of the VPA, and provides a foundation for evidence-based decision-making and accountability.

This consultancy builds on a first phase completed in 2023, also led by TERO, which focused on designing the VPA Impact Monitoring Framework (IMF) in a participative dynamic with the National Implementation Working Group (NIWG) involving public institutions, Indigenous organizations, private sector actors, and civil society. The IMF includes four impact areas, fifteen sub-impact areas, and fifty indicators aligned with the Theory of Change of the JIF. The framework is intended to be practical, cost-effective, and integrated with national systems. This baseline study is intended to be **publicly disclosed and shared with all VPA stakeholders**. It serves not only as a technical reference, but also as a transparency and engagement tool. To support broader accessibility and uptake, an information note has been designed to present the baseline findings in a user-friendly format for the general public.

Key Baseline Findings:

- **Roughly 520 concessions** were active in 2018, covering around **5.3 million hectares**—more than 70% of the country's production forests. Of all Timber Sales Agreements (TSAs), **82% were controlled by foreign companies**, mainly based in China, Malaysia, and India.
- By 2018, **forest product exports generated approximately US$ 40–60 million annually**, depending on market conditions, with **logs accounting for more than 60% of total export volume**. Export prices remained relatively low and value-added products represented less than 5% of export volume.
- **Processing licenses increased by over 50% between 2010 and 2018**, showing investment in downstream capacity. However, many small and medium operators lacked the capital, equipment, or market linkages to expand further.
- **Approximately 49,100 people were employed in the sector**, but **60% worked informally**. Women represented 12% of the workforce and earned significantly less than men but were more present in permanent positions.
- In 2018, **58% of FSOs were considered non-compliant** in at least one obligation, most commonly related to late or missing permit submissions. The GFC recorded **over 500 infractions related to late submissions** that year alone.
- **Forestry-related deforestation dropped to 2–4% by 2018** (from 28.6% in the 1990s), but total forest loss remained stable due to mining, agriculture, and infrastructure. The most frequently reported environmental infractions included unauthorized road construction, pollution of waterways, and encroachment into buffer zones or protected areas, particularly in concessions bordering Amerindian lands.
- **Prior to the VPA, consultations were irregular**, with Indigenous communities and small FSOs largely excluded from forest governance. Between 2012 and 2018, **69 stakeholders' engagement workshops** were held as part of the VPA negotiation and implementation process. The VPA consultation process directly **engaged more than 2.000 participants** (among which 39% were part of Amerindian organizations).
- **Public revenues came from royalties, export levies, and licenses**, but were weakened by the dominance of low-value log exports and widespread informality in taxation and social contributions.

As of 2018, Guyana's forest sector stood at a pivotal point: environmentally resilient—given the low share of forestry-driven deforestation and stable forest cover— and socially vital, as it provided livelihoods to an estimated 49,000 workers, but constrained by high levels of informality in employment and taxation,

fragmented institutional oversight across mandates, and persistent structural inequities affecting small-scale and Amerindian operators..

B. Introduction

The European Union and the Government of Guyana signed a Voluntary Partnership Agreement under the Forest Law Enforcement, Governance and Trade Action Plan to ensure the legality of timber and timber products exported from Guyana. This agreement is designed not only to enhance forest governance and promote legal trade, but also to contribute to broader sustainable development objectives, including improved livelihoods, environmental protection, and institutional strengthening.

In this context, a comprehensive Impact Monitoring Framework was developed in 2022 through a participatory process involving members of the National Implementation Working Group and key forest sector stakeholders. The IMF defines four main impact areas—social, economic, environmental, and governance-related—and includes 14 sub-impact areas and 46 indicators (and 5 additional indicators belonging to the "basis data", i.e. the statistical universe) designed to measure the short-, medium-, and long-term effects of the VPA implementation in Guyana and aligned with the VPA's Theory of Change, as outlined in the Joint Implementation Framework (JIF).

The purpose of this baseline study is to establish an initial point of reference for VPA impact monitoring. It provides critical information to measure future progress and identify emerging trends in the forest sector. The baseline will support evidence-based decision-making, enhance transparency, and guide stakeholders in refining or adjusting the implementation of the VPA. It is intended to be publicly available to encourage stakeholder ownership, transparency, and accountability.

Why Monitor VPA Impacts in Guyana?

Monitoring the impacts of the VPA is essential to understand whether the agreement is achieving its intended outcomes in Guyana's forest sector. The VPA is not just a trade agreement—it is also a governance and development tool meant to strengthen legality, improve transparency, promote sustainable forest management, and contribute to national development goals. By systematically monitoring its impacts, stakeholders can assess:

- Whether the VPA is effectively improving compliance with forest laws;
- If it is enhancing livelihoods, particularly for small operators and forest-dependent communities;
- How it influences governance, accountability, and institutional capacity;
- Whether the VPA impulses the forest sector attractivity and development;
- And whether it contributes to environmental sustainability, including reduced deforestation and forest degradation.

It's important for VPA stakeholders—including government institutions, private sector actors, Indigenous communities, civil society organizations, and international partners—to be aware of and engaged in impact monitoring for several key reasons:

- **Strengthening Transparency and Trust.** Impact monitoring provides objective, verifiable data on how the VPA is shaping Guyana's forest sector. When stakeholders are informed and involved in this process, it fosters transparency and accountability, which are fundamental principles of the VPA. It helps build mutual trust between actors who may have different roles, priorities, or levels of power.
- **Ensuring Relevance and Ownership.** Monitoring is not just a technical exercise—it's a strategic one. If stakeholders understand and use the information produced, the system becomes more relevant, participatory, and sustainable.
- **Informing Decision-Making and Policy.** VPA impact monitoring generates evidence that can guide national policy, improve enforcement strategies, and strengthen public programs (e.g. training, livelihoods, legality support). Stakeholders must be aware of the findings to make informed decisions, both at the strategic level (e.g., within the Joint Monitoring and Review Committee, JMRC) and in day-to-day implementation.
- **Demonstrating Progress to National and International Audiences.** The VPA is part of Guyana's broader commitment to legal timber trade and sustainable forest management. Monitoring allows stakeholders to showcase progress, identify challenges, and demonstrate compliance and improvements to general public, international partners, buyers, and donors.
- **Contributing to Continuous Improvement.** When stakeholders are aware of impact monitoring results and understand their implications, they can contribute to the refinement of policies,

indicators, and monitoring methods. Their feedback ensures that the system evolves and improves over time.

Why Establish a Baseline for the VPA?

A baseline study is a structured assessment that collects data on key indicators before or at the early stages of a project or intervention. Its main purpose is to establish a reference point—or "baseline"—that can be used to measure change over time. Without it, it is impossible to say with certainty whether observed developments—positive or negative—are related to the VPA. This baseline will help:

- Quantify pre-VPA conditions, making it easier to attribute observed changes to the agreement;
- Identify existing data gaps, methodological needs, and weaknesses in information systems;
- And set realistic targets and priorities for national institutions and partners.

In short, the baseline transforms the VPA Impact Monitoring Framework from a conceptual tool into a practical one, giving stakeholders the evidence they need to track progress, and justify public and/or private decisions.

C. Methodology

This baseline study was conducted using a mixed-methods approach, combining both quantitative and qualitative research techniques to assess the initial values of indicators defined in the VPA IMF. The goal was to establish a robust foundation for future monitoring rounds by collecting, analysing, and interpreting available data across the forest sector.

C.1. Methodological design

The study followed a mixed-method design:

- **Quantitative methods** were applied for collecting and analysing structured data from institutional reports and surveys (e.g., volumes, percentages, frequencies).
- **Qualitative methods** were used to capture practices, and explanations related to sector dynamics (e.g., compliance behaviour, administrative challenges, governance practices), mainly through interviews and focus groups.

This combined approach enabled triangulation of data and enriched the understanding of both trends and underlying factors influencing indicator evolution.

To ensure that the analysis was meaningful and reflective of the diversity of actors in Guyana's forest sector, a typology of FSOs was developed based on field observations and analysis. This typology is **analytical rather than legal** and does not question FSOs' legal access to forest resources. It groups FSOs into four main categories based on their organizational structure, operational scale, technical capacity, and market engagement:

- **Amerindian Operators**: These include Community Forest Organizations and customary title holders operating under collective management. Their activities are typically based on subsistence logic or modest community income generation, often supported by NGOs or public programs, and characterized by limited technical and financial resources.
- **Small FSOs**: These operators generally hold small-scale concessions and engage in semi-mechanized or manual logging activities, often without their own sawmills. While legally registered, they often display lower levels of administrative and technical capacity[1] (using chainsaws and mobile sawmills for instance), rely on simplified record-keeping practices, and sell timber primarily to intermediaries in the domestic market.
- **Medium FSOs**: This group includes operators with small to medium-sized sawmills and sometimes concessions. They demonstrate some degree of vertical or horizontal integration in the timber value chain, operate machinery, and maintain basic administrative systems.
- **Large FSOs**: These are structured entities with significant capital investment, including industrial sawmills and secondary processing facilities. They often manage large concessions or big

[1] Levels of formalization or administrative capacities refer here to administrative, accounting, and organizational practices, not to the legal status of concessions or permits

processing facilities, have formalized administrative systems, and access both domestic and international markets.

This typology informed both the secondary data review and the primary data analysis. It was crucial to tailor analysis and recommendations to the specific realities and constraints of each group.

C.2. Sampling approach and size

Given that many indicators could not be fully addressed through secondary sources alone, primary data collection was carried out during Phases 3 and 4 of the consultancy. A deliberate selection of participants based on relevant characteristics built in collaboration with GFC teams was used to select Forest Sector Operators and forest stations to interview and visit.

FSOs reflected the main categories defined in the VPA IMF typology[2]: Amerindian operators, Small FSOs, Medium FSOs, and Large FSOs. Selection also considered geographic diversity and stakeholder availability during the field missions. The survey and field missions covered five administrative regions in Guyana:

- Region 1 (Barima-Waini)
- Region 2 (Pomeroon-Supenaam)
- Region 4 (Demerara-Mahaica)
- Region 7 (Cuyuni-Mazaruni)
- Region 10 (Upper Demerara-Berbice)

In total, 26 FSOs, 3 forest stations, 10 key stakeholders (national and international public entities, indigenous and international NGOs) and NIWG members were surveyed and/or consulted. While not statistically representative of the entire sector, this sample was sufficient to validate trends and refine indicator methodologies. A more statistically robust and stratified sampling strategy is recommended for the first full round of impact monitoring.

C.3. Data Collection Methods

The methodology was implemented in four successive phases, combining the following data collection methods:

- **Secondary Data Collection**: Institutional reports, annual publications, statistical summaries, and policy documents were reviewed. Over 100 documents were collected and analysed, including GFC reports, REDD+ data, infringements records from the Independent Forest Monitoring reports, and Ministry of Labour accident reports. Each source was documented and assessed for reliability and relevance (Annex 3. Metadata).
- **Primary Data Collection:** Where gaps remained, targeted surveys and semi-structured interviews were conducted with FSOs and forest station staff. Additionally, focus groups were held with key FSOs and professional associations to enrich interpretation and validation of the results.
- **Workshops and Capacity Building**: A stakeholder validation workshop (with the NIWG) and a capacity-building session with GFC and institutional partners allowed for methodological review, feedback gathering, and knowledge transfer.

Several tools were designed and adapted throughout the assignment:

- A centralized metadata database (Annex 3) documenting all secondary data sources, key metadata, and source evaluations.
- Questionnaires tailored to FSOs and GFC staff, based on specific data gaps identified during secondary research.
- QGIS spatial analysis tools to analyse allocation maps and concession distribution and generate geographical understanding of timber value chain.
- Excel-based transcription of key indicators and proxy estimations (e.g., digitizing FSIR tables for instance).

All tools were developed with replicability in mind, to be used in future impact monitoring cycles.

[2] See consultancy final report.

C.4. Limitations and challenges

Despite efforts to secure and analyse comprehensive data, several limitations were encountered:

- **Access to secondary data proved difficult for some indicators**. In several cases formal written requests were not answered until late in the process or only after in-person meetings. Even then, discrepancies emerged between institutional sources, underlining the importance of triangulation and on-site engagement. Some information required for the baseline study was not available or could not be obtained within the study timeframe.
- **Timing constraints**. The difficulties to collect secondary data (confidentiality, contact with public institution) delayed access to certain sources and required reallocating time initially planned for primary data collection.
- **Heterogeneity of data formats**. Much of the information was available only in PDF format or as narrative reports. Manual transcription and reformatting were necessary, increasing workload and required time for secondary data analysis.
- **Sample representativity**. While the fieldwork sample was diverse, it was not statistically representative due to the remaining available time to proceed with primary data collection after the extended secondary data collection and analysis phase. This limits the generalizability of some findings but provides valuable insights into sectoral dynamics and data needs.

Despite these challenges, the methodology applied ensured a solid, transparent foundation for baseline measurement, and lessons learned have informed clear recommendations for optimizing future impact monitoring rounds.

D. Baseline study findings

In the context of the VPA Impact Monitoring Framework, the term "impacts" refers to measurable and observable changes—either positive or negative—within Guyana's forest sector that can be reasonably linked to the implementation of the VPA. These impacts may manifest in various dimensions, including economic performance, forest governance, environmental conditions, social dynamics, and stakeholder capacities. Unlike the immediate outputs of VPA-related activities, impacts are typically medium- to long-term outcomes that reflect broader systemic shifts. Examples include enhanced market access, improved legal compliance, strengthened livelihoods, or evolving forest management practices.

To capture these changes, the IMF is organized around four impact areas. Each area is further broken down into sub-impact areas and associated indicators. These are detailed in the table below.

TABLE 1. LIST OF IMPACT AREAS, SUB-IMPACT AREAS AND INDICATORS OF THE VPA IMPACT MONITORING FRAMEWORK

0. Basis data	
0.1 Map of forest concessions allocation of Guyana	
0.2. Number and areas of large concessions, Small Concessions, Community Forestry Associations, Private Lands, State Land in conversion and Amerindian villages.	
0.3. Number of sawmills, lumber yards, processing companies and import-export companies	
0.4. Total number of forest workers	
0.5. Number of annual FSO's inspections	
1. Human development and livelihoods	
Sub-impact areas	**Indicators**
1.1. Occupation Safety and Health	1.1.1. Number and % of inspected FSOs about OSH practices compliance
	1.1.2. Number and % of FSOs complying with public health minimum standards
	1.1.3. Number and % of trained workers on OSH practices
	1.1.4. Number and rate of occupational accident and injuries in the forest sector
1.2. FSO's administrative capacities	1.2.1. Volume of forest products in custody
	1.2.2. Number and % of trained workers about record keeping
	1.2.3. Number and % of FSOs meeting administrative obligations
	1.3.1. Number and % of formal jobs

1.3. Formal jobs generation and workers livelihoods	1.3.2. Number and % of FSOs contributing to the P.A.Y.E. and NIS.
	1.3.3. Number and % of permanent positions
	1.3.4. Number and % of forest workers relying on forest activities for their livelihoods
	1.3.5. Income level of forestry workers
2. Transparency, governance and rule of law	
Sub-impact areas	**Indicators**
2.1. Transparency	2.1.1. Description of information sharing activities and processes implemented and compliance with VPA – Annex IX
	2.1.2. Number % of Forest stakeholders effectively accessing the information disclosed
2.2. Meaningful stakeholders' engagement	2.2.1. Description of implemented stakeholders' engagement processes (topics, methodologies, level of expected engagement of stakeholders, stakeholders actual involvement in decision making etc.)
	2.2.2. Number of participants and represented entities to engagement processes
	2.2.3. Level of VPA stakeholders' satisfaction with the engagement processes
2.3. Grievance and conflict resolution mechanisms	2.3.1. Methods implemented to listen and respond to complaints linked to the VPA implementation
	2.3.2. Number of formally registered grievances linked to the VPA implementation
	2.3.3. % of resolved grievances linked to the VPA implementation
	2.3.4. Average resolution timeline (in number of days) of grievances and disputes treated through the VPA complaint mechanism
2.4. Rule of law	2.4.1. Number and % of compliant FSOs with legality definition principles and criterions
	2.4.2. Number and % of inspected FSOs about legality definition principles and criterions
	2.4.3. Number and % of trained FSOs about legality definition
	2.4.4. Description of the FSOs perceptions on the legality matrix compliance.
3. Sustainable management and protection of forest and ecosystems	
Sub-impact areas	**Indicators**
3.1. Sustainable management of forest	3.1.1. Volume of seized and forfeited timber and forest products
	3.1.2. Number and % of FSOs with reported breaches related to sustainable management of forest
	3.1.3. Volume of annual production from logging activities compared to annual total allowable cut volume
	3.1.4. Area and % of conservation areas of Large Concessions remaining intact
3.2. Forest cover changes and GHG emissions	3.2.1. Deforestation area caused by Forestry Infrastructure construction
	3.2.2. Carbon emissions due to forest degradation and deforestation driven by forestry activities (logging, skid trail, and infrastructure construction)
3.3. Environment, biodiversity and ecosystems	3.3.1. Number and types of alerts and complaints about pollution on land, water, noise, and air originated by FSOs
4. International cooperation, trade, and investment	
Sub-impact areas	**Indicators**
4.1. FSOs economic development	4.1.1. Total and average amount of capital investment by FSOs
	4.1.2. Number of FSOs accessing financial services (forestry revolving fund from Demerara Bank, others)
	4.1.3. Volume of traded forest products with a focus on traded timber species distribution and value-added forest products
	4.1.4. Value of FSOs (labour and/or capital) productivity
	4.1.5. Number and % of FSOs going inactive
4.2. Forest sector attractivity	4.2.1. Number and origins of applications to access concessions in Guyana
	4.2.2. Volume and list of foreign investments in Guyanese forestry sector
	4.2.3. Volume and total value of exported wood and articles of wood, compliant with international phytosanitary standards

	4.2.4. Forest sector GDP and description of its drivers
4.3. Public institutions performance	4.3.1. Public revenues generated by the forest sector
	4.3.2. Public investment in forest sector and in GTLAS agencies
	4.3.3. Number of staff in relevant public entities (GFC, EPA) dedicated to promoting and verifying legal compliance
	4.3.4. Number of days to obtain authorizations and licensing from relevant public entities (GFC and EPA)
4.4. Collaboration with international institutions	4.4.1. Description of how the VPA creates a pathway for accessing new markets and new international collaboration agreements

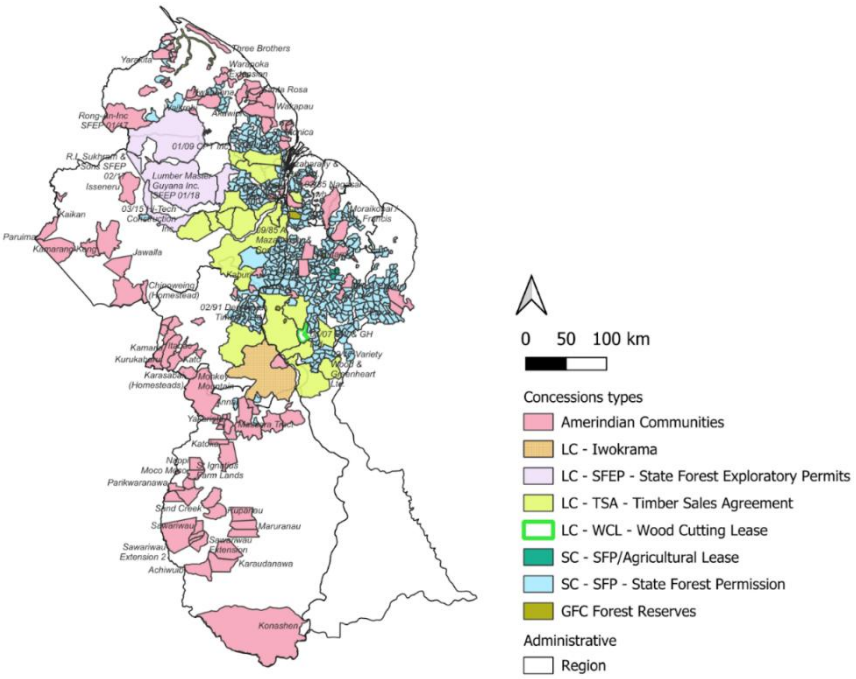
D.1. Basis data

The following "basis data" indicators represent the statistical universe of Guyana's forest sector as it stood in 2018. National reporting by the GFC uses the licensing process as the primary framework for categorizing FSOs (based on GFC's needs to monitor legal aspects of forest activities)[3]. This official approach is structured around permit types and administrative categories and offers a comprehensive overview of Guyanese forest sector.

D.1.1. 0.1 Map of forest concessions allocation of Guyana.

The primary purpose of the GFC concession map is to identify remaining unallocated lands. Its main function is logistical—supporting the management of new allocations—rather than to serve as a precise monitoring tool for the number of active concessions. Concession boundaries are dynamic, and allocation does not necessarily imply that a concession is active or operational. As such, the allocation map should not be considered an official source for determining the number of FSOs in Guyana. Instead, it should be used to observe general trends and illustrate spatial distribution, rather than to monitor the exact number of concessions.

FIGURE 1. 2018 ALLOCATION MAP (SOURCES GFC/GL&SC/NRMP NOVEMBER 19TH 2018) ELABORATION: TERO'S TEAM BASED ON PDF DOCUMENT AVAILABLE ON GFC WEBSITE



[3] Even though our fieldwork revealed an alternative classification of FSOs that is more closely aligned with VPA IMF objectives and potentially more relevant for monitoring changes in the forest sector over time.

This map illustrates the complex mosaic of land use in Guyana's forest sector, highlighting the overlapping distribution of Amerindian communities, forest concessions, and state forest permits, with a particularly dense concentration of small-scale State Forest Permissions (SFPs) in the central and northern regions.

D.1.2. 0.2. Number and areas of large concessions, Small Concessions, Community Forestry Associations, Private Lands, State Land in conversion and Amerindian villages.

Among several sources of information reviewed for this indicator—including the EITI reports, the GFC's forest allocation map, and the Forest Sector Information Report (FSIR)—and following discussions with the technical teams of the GFC, the FSIR was identified as the most appropriate and reliable source complementing it by internal FRMD databases if possible. This choice is based on the need for consistency across monitoring rounds, as the FSIR is produced annually in December and reflects the operational status of concessions with greater accuracy. Unlike the EITI, which reports based on financial disclosures, or the allocation map, which captures the legal status of allocations, the FSIR data are better aligned with the real-time dynamics of forest operations. In Guyana, the status and number of forest concessions are highly fluid, with changes occurring weekly in the administrative and operational status of concessions (issuance, renewal, expiration, suspension, or temporary inactivity). While this indicator focuses on land use through the count of active forest concessions, it should not be interpreted as a direct measure of the number of FSOs. One FSO may hold multiple concessions, and although the official concession count reflects administrative boundaries and licenses, it does not capture the underlying structure of the sector—particularly the horizontal concentration of forest access and value chain control by individual private or community actors. In the following figures[4]he Amerindian territory information has been extracted from the GIS analysis of the 2018 GFC allocation map[5]. The overall synthesis[6] is presented by region and over time.

TABLE 2. NUMBER AND AREAS OF ACTIVE CONCESSIONS IN 2018 (SOURCE: FRMD DATABASE FOR 2018)

Concessions' types	Number	Area (hectares)	Average unit size (hectares)
Large Concessions (SFEP, TSA, WCL)	**21**	**3.103.379**	**147.780**
LC - SFEP (State Forest)	4	1.009.687	252.421
LC - TSA (State Forest)	16	1.722.011	107.625
LC - WCL	NA	NA	NA
LC - Iwokrama	1	371.681[7]	371.681
Small Concessions (SFP, Community Forest Management Agreement, CFMA)	**486**	**1.974.630**	**4.063**
SC - SFP (State Forest)	486	1.974.630	4.063
SC - CFMA			
State land in conversion[8]			NA

[4] Changes in Amerindian village areas over time are assessed solely based on the 2018 allocation maps. Amerindian territory includes both forests and savannahs. To accurately determine the forest area within Amerindian lands, we would need to know if there is an existing ratio of forest cover in these territories. This would allow for a more precise estimation of forest areas within Amerindian lands.

[6] The total forest area is based on 2012 data. While changes since then are minor, it is important to keep this limitation in mind.

[7] It is important to note that only 50% of this area is under harvesting, the other half being dedicated to conservation.

[8] Followed by Ministry of Natural Resources, information not available.

SC - Mining Lease (SFA-MLs)	NA	NA	NA
SC - Agricultural Lease (SFA-Als)	NA	NA	NA
SC - Infrastructure	NA	NA	NA
Reserves	**15**	**809.316**	**53.954**
GFC Reserves	12	17.925	1.493
Others Research & Reserves (Kaieteur National Park, Shell beach Protected Area, Kanuku Mountains Protected Area)	3	791.391	263.797
Amerindians villages	**115**	**8.141.032**	**70.792**
TOTAL	**637**	**14.028.357**	**NA**

FIGURE 2. TREND OF THE NUMBER OF CONCESSIONS BY TYPE BETWEEN 2012 AND 2018 – LOGARITMIC SCALE (SOURCE: FSIR)

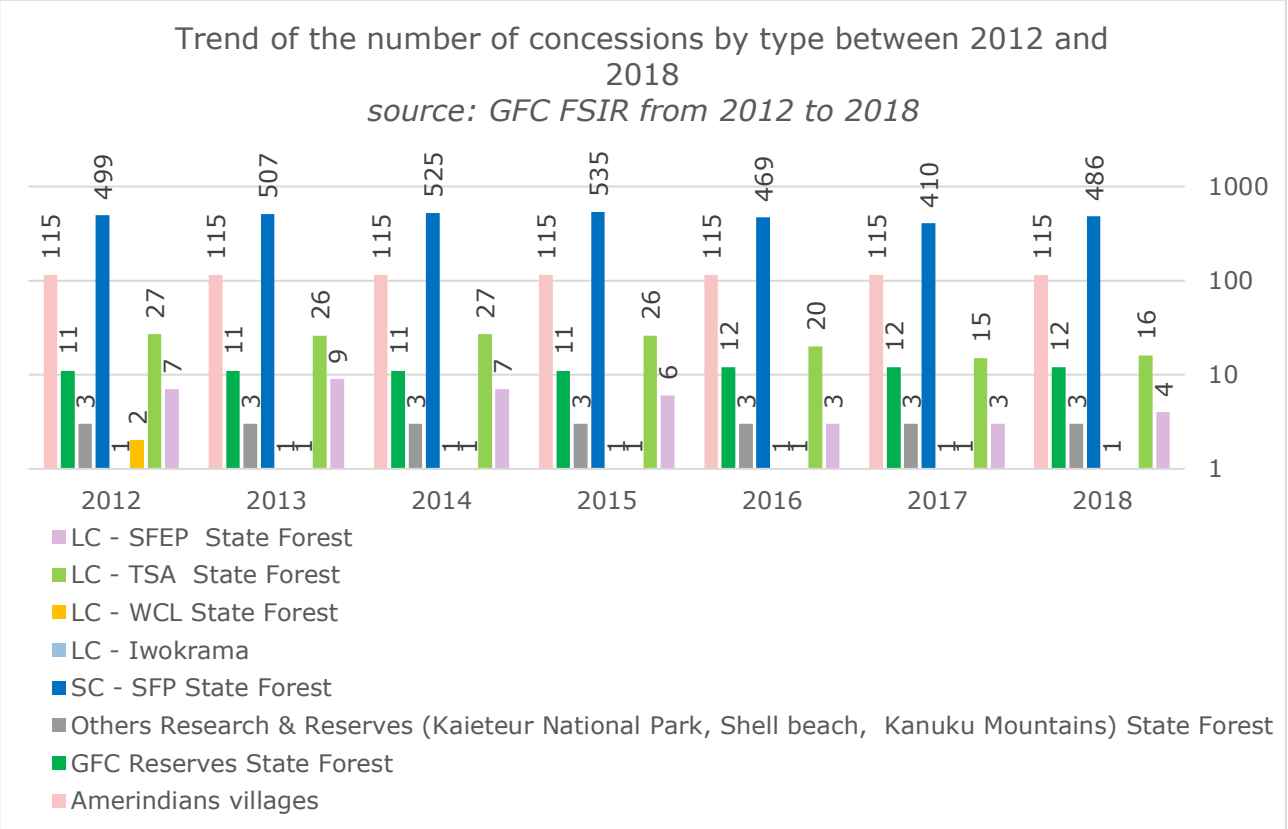
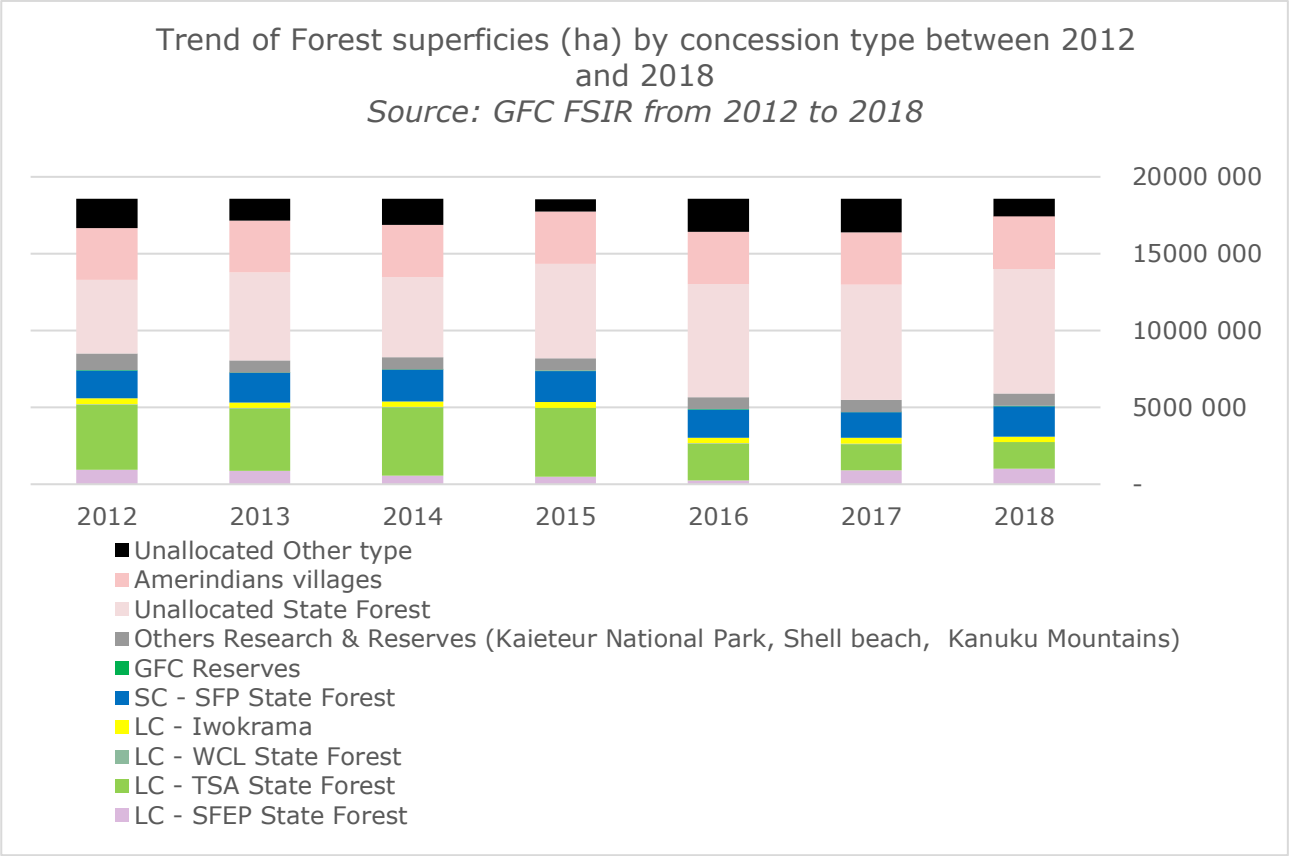


FIGURE 3. TREND OF FOREST SUPERFICIES (HA) BY CONCESSION TYPE BETWEEN 2012 AND 2018 (SOURCE: GFC FSIR FROM 2012 TO 2018)

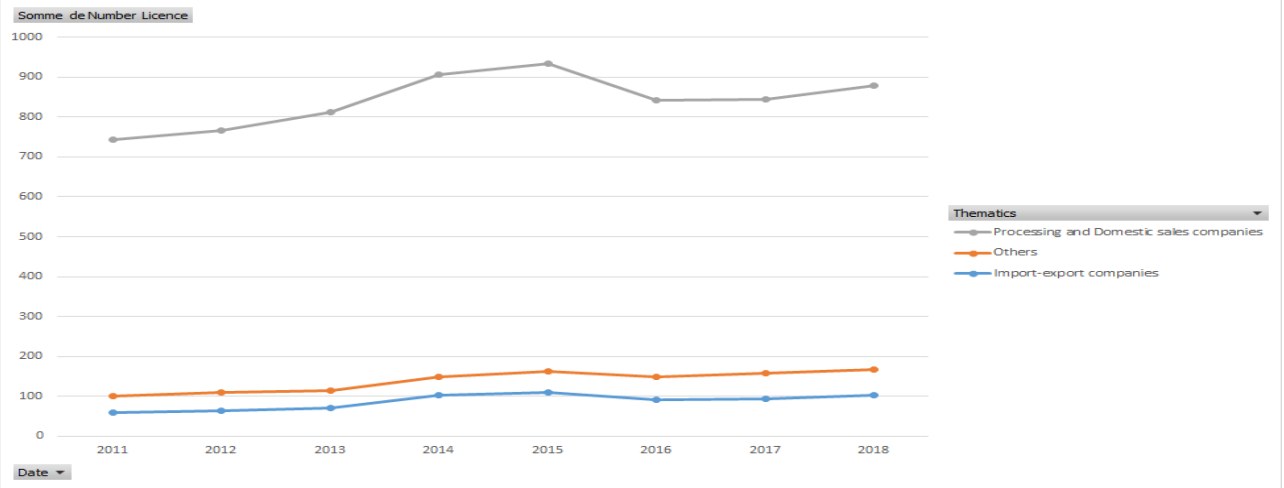


The total forest area in Guyana—comprising allocated concessions and Amerindian lands—can be broadly divided into three nearly equal parts: approximately one-third is held by large concessions, one-third by small concessions, and one-third by Amerindian villages. Over time, the number of large concession authorizations has gradually declined, reflecting a decrease in renewals. Although detailed annual data for Amerindian areas is limited, there has been a steady increase in the number of authorizations, largely driven by village-level efforts to secure formal recognition of their territories. Small concession numbers have fluctuated more noticeably, ranging from about 580 in 2015 to a low of 400 in 2017, before rising again to 510 in 2018. These **small concessions** tend to be **more responsive to shifts in economic conditions**, as their authorizations require periodic renewal (yearly).

D.1.3. 0.3. Number of sawmills, lumber yards, processing companies and import-export companies.

The annual licenses issued by the GFC to actors involved in processing and trade activities offer a consistent proxy for tracking trends in sectoral engagement over time, reflecting operations such as sawmilling, lumber yards, import-export, and other wood-related businesses. However, according to field observations, license data cannot be used as a direct measure of the number of FSOs, as individual operators often hold multiple licenses for different activities along the value chain. Additionally, a significant number of downstream actors—such as furniture manufacturers, and construction companies using timber as an input—do not require GFC licenses and are therefore not captured in national forestry monitoring systems. This results in a substantial portion of the value chain remaining invisible in official statistics. Accessing business registration records from the Guyana Revenue Authority (GRA) could help fill this gap and provide a more complete picture of forest-related enterprises, but this was not feasible within the timeframe of the baseline study. It may be possible for future rounds of VPA impact monitoring. For the purpose of this baseline study, we gathered licenses in 3 categories: Processing and domestic sales, import exports and others (Firewood and charcoal).

FIGURE 4. TRENDS ON AGGREGATED LICENCES DELIVERED TO VPA FSO TYPES FROM 2011 TO 2018

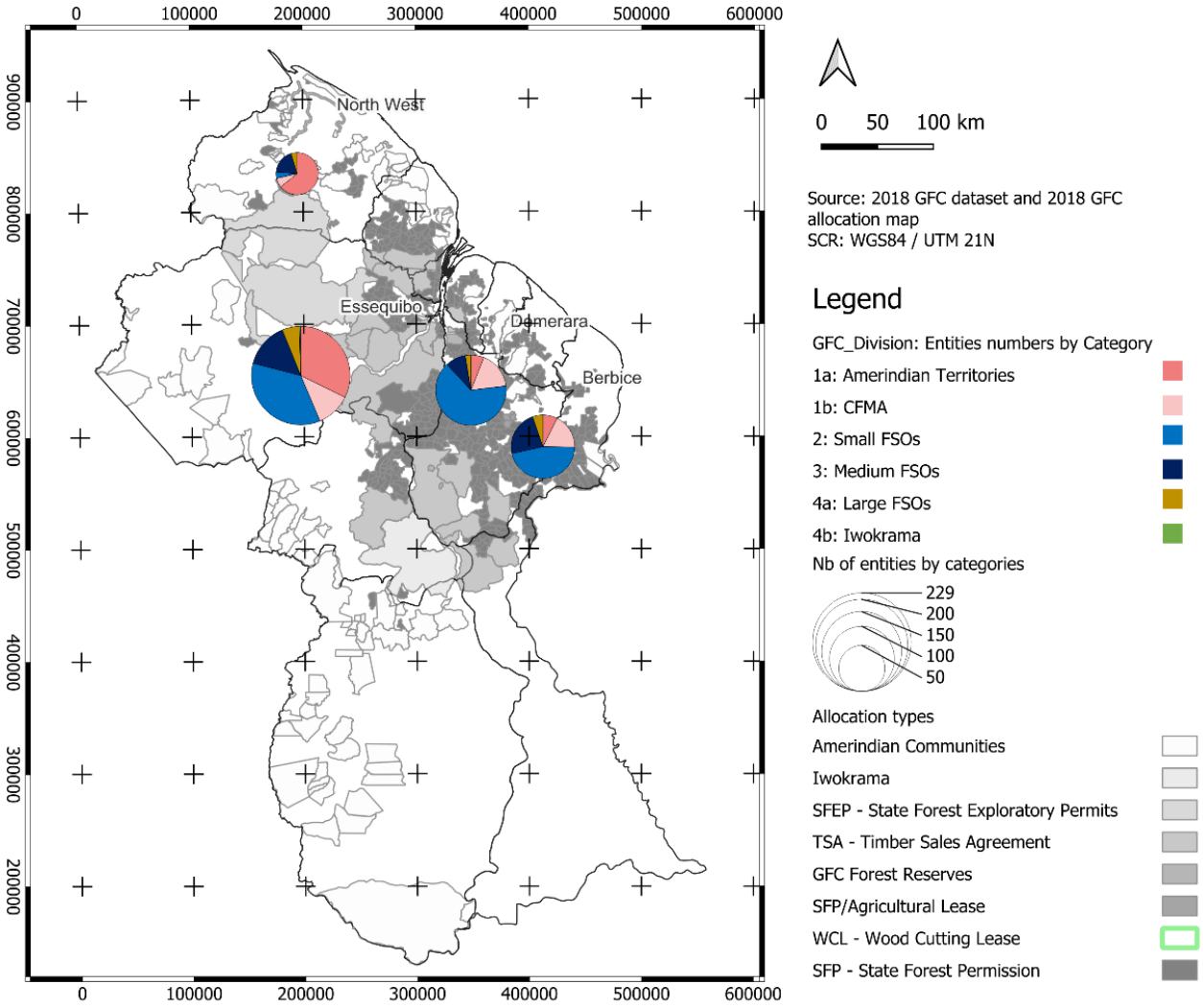


The **significant increase in processing licenses observed in 2014 and 2015** can be explained as the result of several converging dynamics. A key driver was the internationalization of the timber value chain, particularly with **China's entry into the Guyanese market** as a major buyer between 2012 and 2013 (confirmed by small concession met during regional visits). By buying timber, Chinese companies triggered a wave of **vertical integration and new entries** within the sector. Concession holders began investing in their own processing facilities, and new companies entered the value chain, boosting the number of licensed processing operations. Another factor cited was the wave of **reconstruction efforts in the Caribbean** following major natural disasters—particularly between 2010 and 2014—which significantly increased regional demand for finished timber products to rebuild houses, contributing to the rise in processing activity in Guyana during 2014 and 2015. Participants noted that as Caribbean countries sought to rebuild rapidly, they turned to importing finished timber products rather than raw logs, **stimulating demand for processed wood** from Guyana. At the same time, exporting logs became less profitable due to high transport costs relative to volume and **declining log prices on the Chinese market**. In response, FSOs increasingly shifted toward value addition through local processing as a more viable economic strategy. Finally, it is worth noting that aside from the exceptional spike in 2014 and 2015, the number of processing licenses has shown steady growth since 2011, indicating a **gradual technification of the sector**. It remains to be seen whether this trend will continue at the same pace or whether the implementation of the VPA will further accelerate this transformation.

Alternative FSOs typologies:

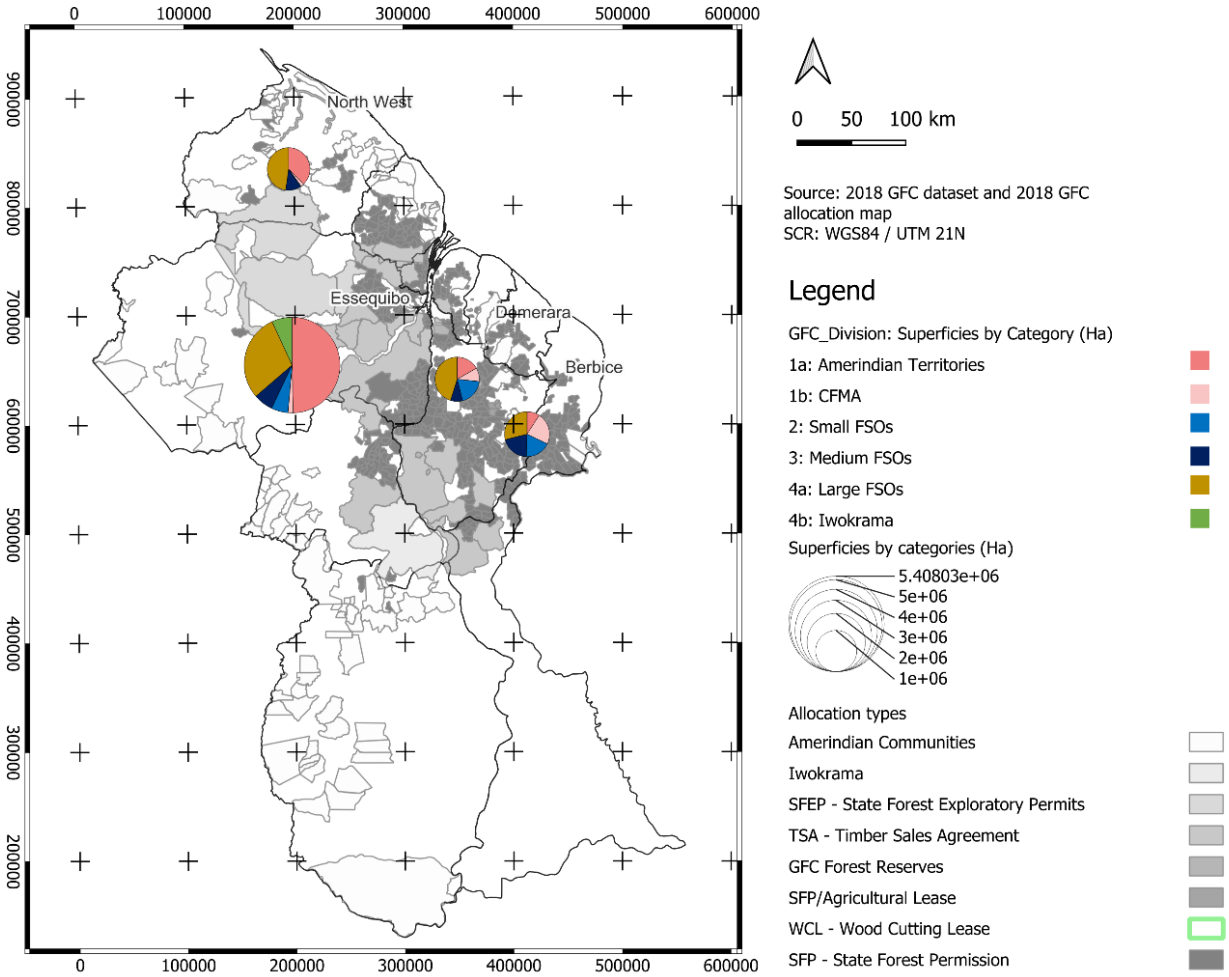
As previously mentioned, several forest concessions and timber processing facilities—such as sawmills, lumberyards, or exporters—belong to the same company or group of affiliated companies. Given this overlap, it is important to attempt a categorization of FSOs that reflects not only concession size or license type but also the operational structure behind them as explained earlier. The figures below represent the geographical breakdown of FSOs by typologies described in section C.1. of this baseline.

FIGURE 5. DISTRIBUTION OF FSOS BY BASELINE CATEGORIES AND GFC DIVISION[9]



[9] The location of each FSO on the map was determined based on the location of the concession, while in practice, associated processing facilities (e.g., sawmills or exporters) may be situated in a different GFC region.

FIGURE 6. FOREST AREA BY FSO BASELINE CATEGORY AND GFC DIVISION (HA)



- **Small FSOs** (blue) make up the **largest share of operators** in all four regions, reflecting the highly fragmented nature of Guyana's forest sector. They dominate especially in Essequibo and Berbice, where their presence is both numerically and operationally significant.
- **Medium-sized FSOs** (dark blue), although **fewer in number**, are **present in every division except North West**. Their relative share is modest, but they often operate both concessions and processing facilities, making them **important links in the timber value chain**.
- **CFMAs** (pink) are well-represented in **Demerara and Essequibo**, suggesting an active role for community forestry in these divisions. Their presence is more limited in Berbice and almost absent in the North West.
- **Amerindian Territories** (light red) are **dominant in North West**, where they make up a substantial portion of the total entities. This reflects the customary land use rights and community forest governance prevalent in this division.
- **Large FSOs** (yellow) are few and scattered, with **only 1 or 2 present per region**—confirming that industrial-scale actors are limited in number but important in terms of forest area (as shown in the surface map).
- **Iwokrama** (green) is a single unique case, present at the border of Demerara and Essequibo divisions, reflecting its special status as a conservation and research-focused concession.

The forest sector is **numerically dominated by small and community-based operators**, while **medium and large FSOs are fewer but strategically significant**. The presence of medium FSOs across all productive regions (except NWD) highlights their role as a bridge between small-scale and industrial operations—potentially more formalized and vertically integrated. Lastly, operator location was determined by concession location, although associated processing facilities may be based in different GFC divisions, especially in proximity to urban or export hubs.

D.1.4. 0.4. Total number of forest workers (employees of FSOs and self-employed FSOs, formal and informal).

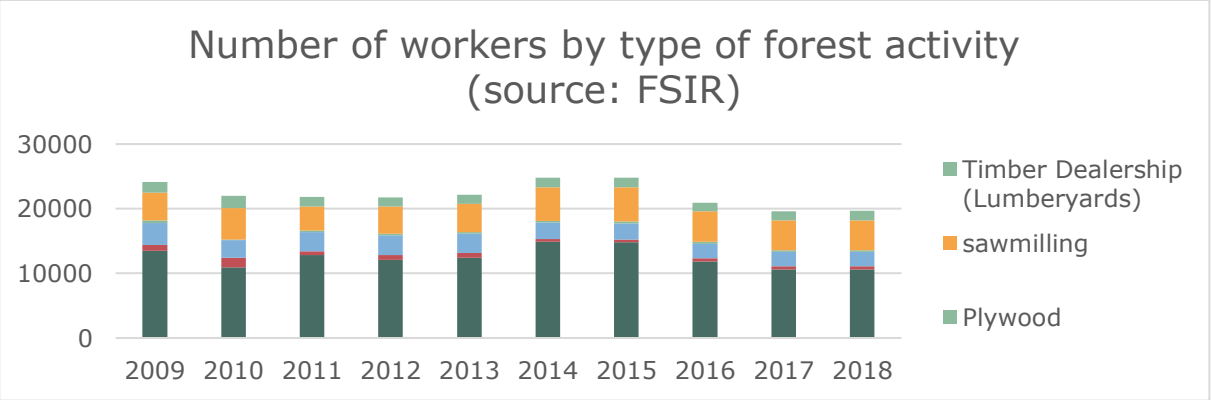
The forestry sector in Guyana plays a vital role in sustaining rural livelihoods and contributing to national revenue. However, capturing accurate employment data remains a significant challenge due to the sector's high degree of informality. The main source of employment data in the forestry sector is the FSIR, based on figures declared by operators and verified during site visits. While this process offers some coherence for future rounds, it tends to underreport employment, particularly informal or temporary workers. To address this, FSIR data was complemented with estimates from the Lippe report and ILOSTAT, which suggest that 60–75% of the Guyanese forest workforce is informal, particularly among small-scale loggers, sawmill operators, and downstream actors like furniture makers and wood artisans—many of whom fall outside formal regulatory frameworks and therefore are excluded from official statistics. It was agreed with the GFC's monitoring team that FSIR figures would serve as the baseline, with an estimated informality rate applied to approximate total employment. Additional employment insights were drawn from LFS and ILO data, especially to inform gender and employment status indicators.

Based on the FSIR, a total of 19,640 workers were declared, with 11,075 in production (ISIC A02) and 8,565 in processing (ISIC C16). However, applying a 60% informality rate yields an estimated total workforce of approximately 49,099 individuals. According to Guyana's LFS, in 2018 the total employed population was approximately 280,000 individuals. The forest sector accounts for an estimated 17.5% of total employment in Guyana when informal employment is included. This highlights its significant role in the national labour market.

TABLE 3. FOREST SECTOR EMPLOYMENT ESTIMATIONS BASED ON FSIR

ISIC category	Number of workers in the forest sector (declarative statement by FSOs- 2018 GFC FSIR)	Estimation of total workers engaged in the forest sector in 2018 (based on an estimation of 60%[10] of informality in employment)
ISIC 2 (production)	11075	27687
ISIC 16 (Transformation)	8565	21412
Total	19640	**49099**

FIGURE 7. NUMBER OF WORKERS BY TYPE OF FOREST ACTIVITY FROM 2009 TO 2018 (SOURCE: FSIR)



[10] Labour Force Survey and associated ILO database give the informaly rate of:

- 65% for log
- 50% for transformation

The 60% came from the globalize data of ISIC2 and ISIC16 and came from the wood report on informality in South America

The stacked bar chart illustrates the evolution of forest sector activities in Guyana from 2009 to 2018, disaggregated by activity type. Logs consistently dominate the sector in terms of employment, indicating that logging has remained the principal activity throughout the decade. Sawmilling also accounts for a significant portion of employment, although it declined slightly after 2015. Other activities such as plywood, Manicole palm harvesting, and timber dealership (lumberyards) contribute more modestly and have remained relatively stable over time. Sectoral output peaked in 2014 and 2015, reflecting favorable market conditions, and increased Chinese demand—reasons that were also cited by FSOs and VPA stakeholders to explain the surge in licensing during the same period. However, a clear decline is observed from 2016 onward, with 2017 and 2018 marking the lowest employment rates in the ten-year span. Overall, the data highlights a forest sector employment structure still largely centred on primary production, with limited value addition.

In 2018, the employment structure in the forestry sector shows that the majority of the workforce was composed of employees (72.6%), compared to 27.5% self-employed individuals, with a slightly higher share of self-employment among men (30%) than women (25%).

During interviews and focus groups conducted with FSOs, several challenges related to workforce recruitment and retention—particularly before 2018—were highlighted. Small FSOs consistently reported high staff turnover and significant difficulties in attracting and retaining workers, especially due to competition from the bauxite mining industry, which offered more attractive wages and conditions. In small concessions, Indigenous workers were more commonly engaged in seasonal harvesting roles. Meanwhile, medium-sized, family-owned FSOs demonstrated a greater tendency to stabilize their workforce. They typically employed one or two permanent and trained staff members to retain institutional knowledge and limit the operational disruptions caused by high turnover. This approach reflected a strategic effort to maintain continuity and competence within their operations.

D.1.5. 0.5. Number of annual FSO's inspections (Overall total and disaggregated per forest stations).

Based on qualitative data gathered from interviews with FSOs, focus group discussions, and regional field visits, several patterns emerged regarding inspection practices in the forest sector[11]. Most operators, regardless of size or location, reported regular monthly inspections by GFC officers. In the case of larger concessions, a permanent GFC presence was often established within or near the concession area, facilitating near-daily oversight. Some processing oriented FSOs even reported inspections taking place weekly or twice per week, particularly around periods of timber export or high processing activity. Across all FSO types, GFC inspections commonly involved checking permits, log tagging and stamping, boundary compliance, and, in processing sites, elements related to worker safety and environmental management. No FSO reported visits from the Ministry of Labour before 2018, even though this ministry is officially responsible for occupational health and safety (OSH) oversight. In practice, OSH inspections were carried out by GFC officers in medium and large operators. While these findings cannot be extrapolated to the entire sector due to the non-representative nature of the sample, they indicate a system of relatively frequent and structured inspections by GFC, albeit with limited institutional coordination and inconsistent coverage of labour-related controls.

D.2. Impact area 1: Human development and livelihoods

D.2.1. Sub-impact area 1.1: Occupational safety and health

In 2018, the legal framework for occupational safety and health in Guyana's forest sector was defined by several key acts, including the *Labour Act, OSH Act, Employment of Young Persons and Children Act*, and the *Amerindian Act*. Complementary *GFC guidelines* for large concessions emphasized two priority areas: camp hygiene and OSH. Standards included requirements for access to safe water, waste management, proximity to medical services, creation of safety committees, provision of Personal Protective Equipment (PPE), and fire safety measures. Although these guidelines target large concessions, they are also relevant for small and Amerindian concessions, which often lack infrastructure.

[11] The consulting team was not granted access to quantitative data about FSOs inspections.

1.1.1. Number and % of inspected FSOs about OSH practices compliance

Due to the lack of access to official inspection records from the GFC and MoL[12], it was not possible to provide a quantitative estimate of the number or percentage of FSOs inspected for OSH compliance in 2018. Nevertheless, qualitative data collected through interviews and focus groups with FSOs indicate that while most reported regular visits from GFC officers—typically once per month—few mentioned that OSH practices were systematically reviewed during these inspections. When OSH monitoring did occur, it was primarily concentrated in sawmills and large concessions, with checks focused on the use of PPE and basic safety protocols. No interviewed FSO reported receiving fines or formal infractions for OSH non-compliance—a finding corroborated by the 2018 Independent Forest Monitoring report, which did not record any OSH-related infractions among the cases presented. Although the Ministry of Labour is legally mandated to oversee OSH standards in the forest sector, no FSOs reported receiving visits from MoL inspectors prior to 2018. This points to a gap between the national OSH legal framework—defined by the *OSH Act* and related legislation—and its effective implementation in the field before 2018.

1.1.2. Number and % of FSOs complying with public health minimum standards

We were unable to access secondary information regarding the inspection and compliance status of FSOs concerning health minimum standards. Through interviews and focus groups with FSOs, we observed all FSOs acknowledged the difficulty of ensuring compliance with OSH protocols, particularly regarding the consistent use of PPE by workers in concessions. Small FSOs openly admitted that workers often do not wear protective gear while felling trees, citing discomfort, limited awareness, equipment costs and informal work culture. Moreover, many communities rely on under-resourced public health centers located far from concessions, limiting their capacity to meet emergency or preventive care needs.

In the absence of national scale quantitative data, and based on qualitative feedback, we conclude that **compliance with public health minimum standards was partial and uneven** in 2018, with large operators more likely to meet infrastructure-related requirements, while smaller and community-based FSOs faced structural barriers to compliance.

1.1.3. Number and % of trained workers on OSH practices

In the absence of access to the Forestry Training Centre Incorporated (FTCI) complete database for 2018, field interviews conducted during the baseline study provide an interesting picture of training uptake among FSOs. According to the survey, **70% of interviewed FSOs reported having received some form of OSH training prior to 2018**. On average, **17% of their total workforce** (including seasonal workers) had been trained, significantly surpassing the 1% annual training rate reported in public statistics (GFC annual report). These higher rates may be explained by the fact that training was not limited to the FTCI, but also provided by other entities such as the Red Cross, and international partners. While FTCI trainings incorporated OSH content within broader modules, FSOs also described receiving targeted sessions during GFC field visits. However, OSH training coverage remains uneven. **Among Amerindian Operators, training levels were particularly low** unless specific, externally supported efforts were undertaken. **Medium FSOs presented more consistent, though still limited, training coverage**. Large concessions planned workers training in their management plans, suggesting that OSH training is institutionalized (but we could not have access to training reports). Furthermore, although FTCI trainings are conducted in English with simplified language, indigenous FSOs—especially in Amerindian communities—face linguistic and cultural barriers that limit equitable access. The FTCI's demand-driven model also limits proactive outreach, particularly toward under-served regions or vulnerable operator groups. When asked whether seasonal staff received training on OSH or sustainable forest management practices, small FSOs often responded that Indigenous workers were already knowledgeable in these areas based on their traditional experience.

1.1.4. Number and rate of occupational accidents and injuries in the forest sector

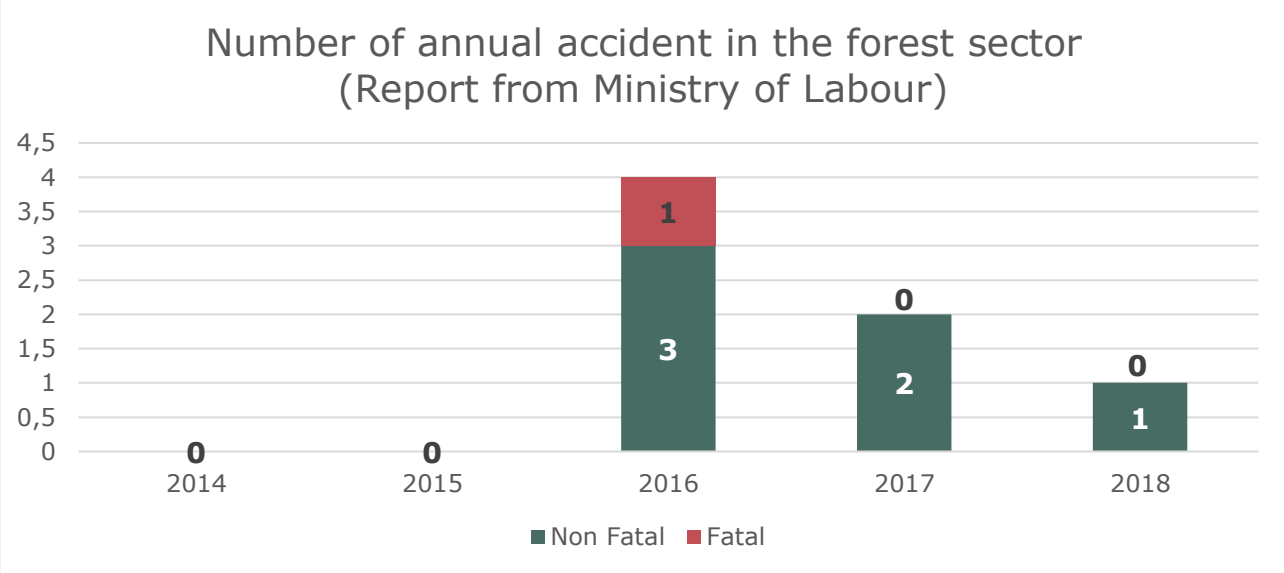
Historical data from ILO shows a positive trend, with a notable decrease in reported workplace injuries between 1980 and 2000[13], suggesting improvements in occupational safety during that period. Metrics on

[12] Available information on inspection practices remains limited. While some interviews suggest variations in the frequency of inspections by the GFC and the Ministry of Labour during the period, this could not be formally confirmed.

[13] More recent statistics from the ILO, if available, were not accessible through publicly available online sources at the time of the study, which limits the possibility of comparing datasets over a consistent time period.

sector-specific accidents from the Ministry of Labour between 2014 and 2018, presented in the graph below appear significantly lower than those reported in earlier ILO datasets. Although ILO data are not disaggregated by sub-sector, they report up to 3,500 non-fatal injuries for the broader agriculture category, compared to a maximum of 12 for forestry reported by the Ministry of Labour—this suggests a discrepancy of several orders of magnitude. While ILO figures are typically based on broad field-level surveys, Ministry of Labour data are derived from formal reporting systems, where injured workers may be eligible for compensation. This implies that the accuracy of national data depends in part on the formalization of employment. Given that many (approx. 60%) forestry workers are not registered with the National Insurance Scheme (NIS), a substantial share of accidents in informal settings likely go unreported, leading to underestimation.

FIGURE 8. NUMBER OF ANNUAL FATAL AND NON-FATAL ACCIDENT IN THE FORESTRY SECTOR REPORTED TO THE MINISTRY OF LABOUR FROM 2014 TO 2018



The data suggest a downward trend in reported accidents, but given the **very low numbers**, these figures are likely **underreported**. To complement the analysis, qualitative data were collected during field missions. Nearly **60% of surveyed FSOs reported that accidents or incidents** occurred within their operations prior to 2018—mostly minor injuries, but in several cases, fatalities. Notably, all FSOs reporting major incidents were Amerindian operators or small community concessions. While this limited sample cannot be used to draw conclusions at the national level, it highlights a recurring pattern: **smaller-scale, resource-constrained operations may face higher occupational risks**, particularly during harvesting.

TABLE 4. INDICATORS 1.1. OCCUPATION SAFETY AND HEALTH

Indicators	Data source(s)	Baseline value (2018)
1.1.1. Number and % of inspected FSOs about OSH practices compliance *By types of FSOs*	FSOs interviews and focus groups. Large concessions management plans	Regular GFC inspections (monthly) but only a few (18%) about OSH practices (mainly in sawmills). No fines or infractions related to OSH practices were reported by GFC
1.1.2. Number and % of FSOs complying with public health minimum standards *By types of FSOs*	FSOs interviews and focus groups Large concessions management plans	Large FSOs partially comply Medium FSOs partially comply Small FSOs and Amerindian operators face structural barriers to compliance
1.1.3. Number and % of trained workers on OSH practices *Focus on women, and indigenous people*	GFC annual report Large concessions Forest Management Plans and Annual Operations Report FTCI interview	70% of FSOs interviewed reported having received OSH training, with an average of 17% of staff trained

Indicators	Data source(s)	Baseline value (2018)
	FSOs interviews and focus groups	
1.1.4. Number and rate of occupational accident and injuries in the forest sector	Ministry of Labour registers FSOs interviews and focus groups	More than half of interviewed FSOs suffered incidents or accidents A quarter of FSOs faced major accidents (involving casualties). They all are Amerindian operators or Small FSOs. Average of 1,4 accident reported to the Ministry of Labour per year from 2014 to 2018

Key conclusions:

- **Fragmented oversight and limited enforcement:** While GFC conducts regular inspections (typically monthly), only 18% of FSOs interviewed reported being inspected specifically for OSH practices, and no fines or formal sanctions were issued for non-compliance. OSH checks mainly focused on sawmills and not on field harvesting operations (while it seems that major accident occurred).
- **Partial compliance with public health standards:** Large and medium FSOs demonstrate partial adherence to hygiene and health infrastructure requirements outlined in GFC guidelines. However, small FSOs and Amerindian operators face systemic barriers to compliance, such as distance from medical facilities, lack of infrastructure, and inability to afford or access PPE.
- **Accident trends in vulnerable groups and underreported:** Among FSOs interviewed, 59% reported having experienced accidents or incidents, mostly minor. However, 50% of those reported at least one major accident (involving fatalities), and these were exclusively Amerindian or small community concessions—suggesting a pattern of higher OSH risk among smaller and indigenous FSOs. Although FSOs are expected to report to the NIS, only registered workers are captured, while approximately 60% of the workforce is informal, resulting in substantial reporting bias in national databases with only an average of 1,4 annual reported accident to the MoL between 2014 and 2018.

D.2.2. Sub-impact area 1.2. FSO's administrative capacities

1.2.1. Volume of forest products in custody

Qualitative data[14] gathered from interviews and focus groups with FSOs and Forest Stations confirms that custody was a standard enforcement practice before 2018. Of the 13 FSOs who reported infractions before 2018, 11 indicated that these resulted in timber being placed in custody. Common triggers for custody included irregular tagging (e.g., species mismatch), outdated or incorrect transport documents, GPS discrepancies showing harvesting outside approved concession areas, undersized logs, which violate forest management rules. The duration of custody is usually short, generally between 7 to 9 days[15], allowing time for GFC to complete the necessary checks.

The impact of custody varies by operator type. Large FSOs, with more administrative resources and stable relations with the GFC, are typically better equipped to manage these verification processes and rarely face timber custody. Medium FSOs may occasionally face custody measures but are more likely to resolve infractions administratively. In contrast, small FSOs and Amerindian operators—often with less technical capacity and weaker access to legal or logistical support—are more vulnerable to prolonged custody periods and higher risk of losing timber, especially when infractions cannot be quickly clarified. Notably, all major

[14] National information about custody volumes was not made available for this baseline study (it will be compulsory to publish it from VPA signing, i.e. Annex IX on public access to information).

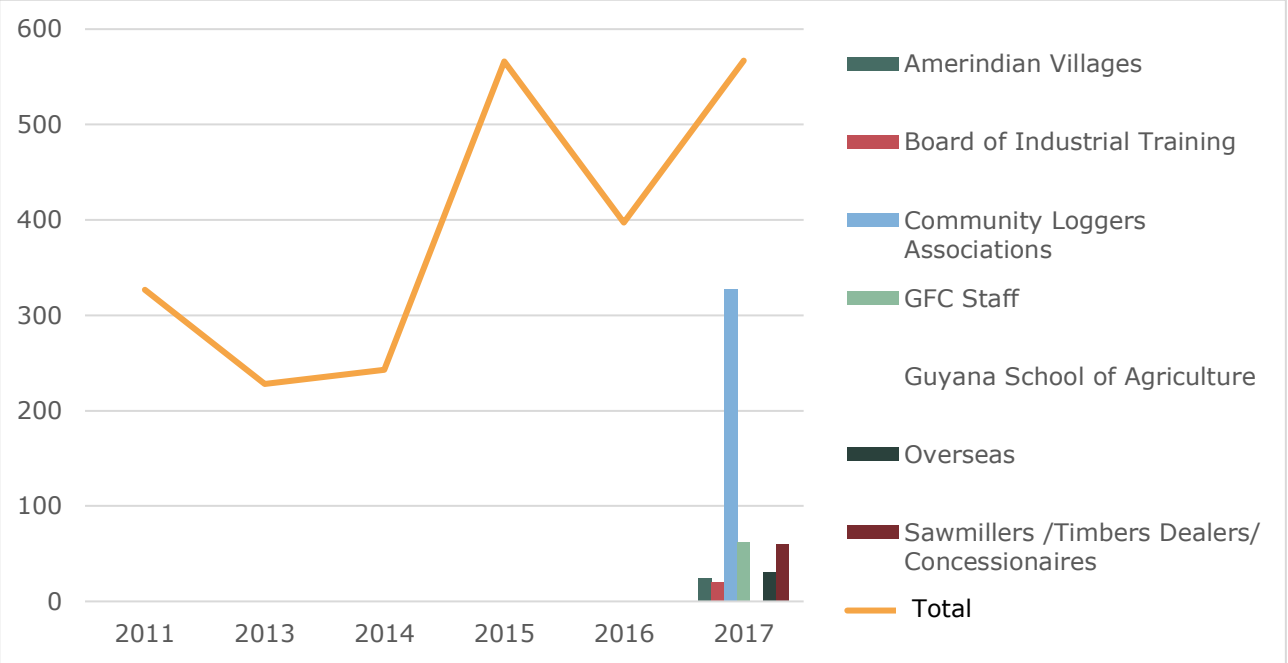
[15] According to one forest station declaration.

infractions that led to custody were reported by small or Amerindian operators, underlining broader systemic challenges around compliance and enforcement.

1.2.2. Number and % of trained workers about record keeping

Qualitative insights[16] gathered through FSO interviews provided useful information on training participation. More than half of the FSOs interviewed reported having received training in record keeping, either through FTCI or with direct support from the GFC. Those who had not received any training were mostly Amerindian operators, pointing to a potential gap in outreach and inclusion for Indigenous operators. Unlike OSH training, which may be provided by a range of actors such as the Red Cross or private consultants—as reflected in large concessions' management plans—record keeping training is primarily delivered by FTCI or by the GFC. This institutional centralization allows FTCI's general training figures to serve as a useful proxy for understanding broader trends in record keeping training, even if exact national figures about record keeping specific trainings are not currently accessible.

FIGURE 9. NUMBER OF PERSONS TRAINED BY THE FTCI FROM 2011 TO 2017 DISAGREGATED BY TYPE OF ENTITY AND FSOS THEY BELONG TO FOR YEAR 2017 (SOURCE: GFC ANNUAL REPORTS)



Between 2011 and 2017, FTCI training activities showed a sporadic and project-driven pattern. From 2011 to 2014, the number of individuals trained annually remained relatively stable but modest, fluctuating between 230 and 330 participants. In 2015, training activity surged to over 550 individuals, likely reflecting a temporary increase of demands from new FSOs, or in resources, before declining slightly in 2016 and rising again in 2017, where it peaked again at over 550 trainees. When compared to the estimated size of the forest sector workforce, the coverage appears very limited. In 2018, the total estimated workforce (formal and informal) reached nearly 49,100 workers. By contrast, **the FTCI's peak training year (2017) reached just over 1% of this total forest sector workforce[17]**.

In 2017, the distribution of FTCI training activities revealed a clear **prioritization of community-based forestry actors**, with Community Loggers Associations making up the largest share—over 300 participants trained. This suggests a targeted capacity-building effort aimed at strengthening grassroots forestry governance and operational practices. Other groups, including GFC staff, Amerindian Villages, and Sawmillers/Timber Dealers/Concessionaires, also participated in moderate numbers, each representing

[16] Due to the unavailability of FTCI's complete training database, it was not possible to quantify nationally the number or percentage of workers trained in record keeping.

[17] Record-keeping training is intended to primarily target administrative and managerial staff within FSOs, as well as self-employed operators, for whom these functions are most relevant. However, no data source is currently available to provide a detailed breakdown of the workforce by employment type, which also limits the ability to accurately assess the share of relevant participants reached.

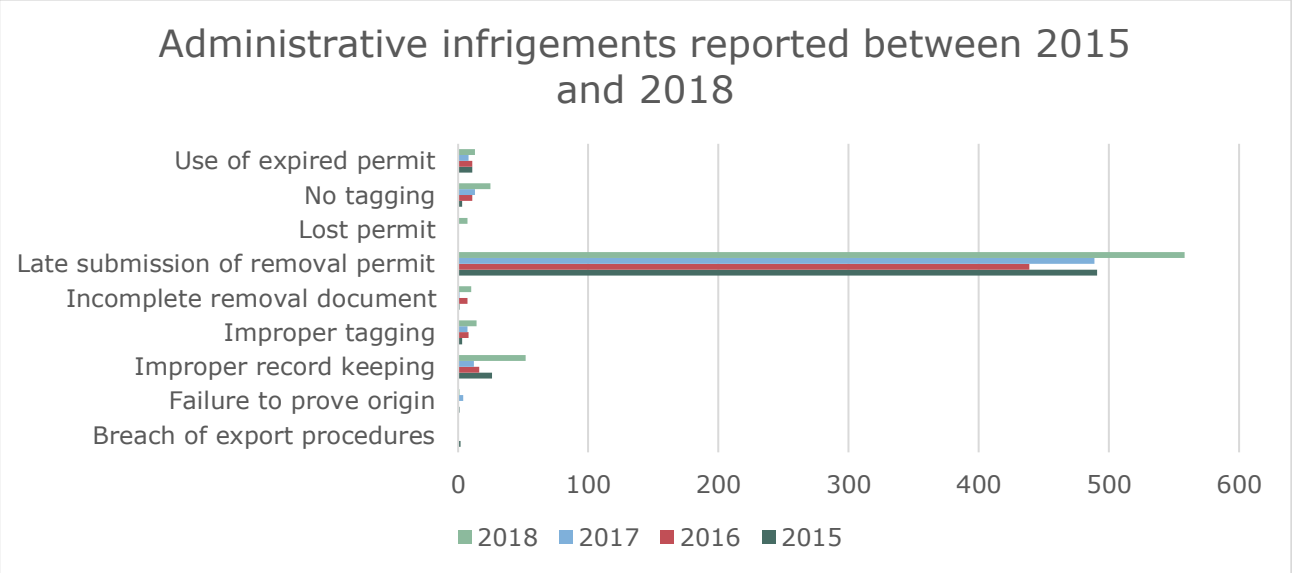
around 50 to 75 trainees. Smaller numbers of trainees came from the Board of Industrial Training, the Guyana School of Agriculture, and a few overseas participants, indicating broader but limited outreach. This distribution highlights a relatively inclusive approach that reached both public and private actors, including Indigenous and rural communities. According to the Guyana Forestry Commission's 2017 Annual Report, a wide range of training initiatives were conducted across the forestry sector to build capacity at various levels[18]:

- **GFC staff** trained by external partners in: GIS/remote sensing, MRVS, Climate Change SFM and monitoring, Management, Internal quality auditing, First Aid, Prosecution, Grievance Redress Mechanism, ATV and Boats, Communication, Combating trafficking in Persons, Occupational Safety and Health, Field research methods and Wildlife Management. And by FTCI: monitoring and evaluation, Coaching and leadership, workshop on Tuberculosis and Malaria, training on GPS, training delivery, FLEGT, Timber Grading and computer use.
- **Community Forest** trained by FTCI: Forest inventory, tree identification, directional felling, survey and mapping, use of GPS, Improving governance (planning, decision-making processes, compliance with regulations, transparency, accountability, efficiency, and effectiveness.
- **Sawmills**: completion and submission of documents required by GFC
- **Forestry sector** in general trained by FTCI: Timber Grading, Tree Identification, Decision Making, Timber Harvesting Planning, RIL, Forest Management Best Practices, GPS Usage and mapping.

1.2.3. Number and % of FSOs meeting administrative obligations

Informations related to the indicator 1.2.3. Number and % of FSOs meeting administrative obligations are primarily available through the Independent Forest Monitoring (IFM) reports. These reports document infringements identified during monitoring activities and classify them by type. Among the full list of reported infractions, several were deemed to reflect shortcomings in the administrative capacity of FSOs. Specifically, the following infractions were considered relevant for assessing compliance with administrative obligations: *breach of export procedures, failure to prove origin, improper record keeping, improper tagging, incomplete removal document, late submission of removal permit, lost permit, no tagging and use of expired permit.* These types of non-compliance point to gaps in documentation practices, permit management, and traceability systems. While the IFM report does not provide a percentage of FSOs in full compliance, the categorization and frequency of these administrative infractions offer valuable insight into the types of challenges FSOs face in meeting legal and procedural requirements.

FIGURE 10. ADMINISTRATIVE INFRIGEMENTS REPORTED IN THE INDEPENDANT FOREST MONITORING REPORT BETWEEN 2015 AND 2018



[18] However, we do not have quantitative data about number of persons trade, this information is part of the text of the GFC annual report from 2017.

The most striking observation is the **consistently high number of late submissions of removal permits**, which far exceed all other types of administrative non-compliance each year—surpassing 500 cases in 2018 alone. This suggests that timeliness in documentation remains a major challenge for FSOs and could reflect systemic issues such as limited administrative capacity, delays in permit issuance or transmission, or a lack of awareness of compliance deadlines.

Other infractions, such as failure to prove origin, improper record keeping, and improper tagging, show relatively lower but still recurrent figures, indicating **persistent weaknesses in traceability systems and document handling**. Infractions like use of expired permits, lost permits, and breach of export procedures are notably less frequent but nonetheless represent significant compliance risks, particularly for legality assurance and international market access under the VPA framework.

The overall consistency in the types of infractions reported across the four years suggests that these are **structural issues rather than isolated anomalies**.

Interviewed GFC staff estimated that between **less than 50% to 65% of FSOs were compliant before 2018**, depending on location—with Forest stations with larger proportion of small FSOs assessing less general compliance. The most frequent administrative non-compliance observed during inspections was improper record keeping, errors in permits calculations, false declarations. Even among interviewed trained operators, compliance remained difficult, particularly where systems required coordination with institutions like the NIS and GRA, which were described as remote and bureaucratically demanding. These findings suggest that while there had been some progress, significant administrative compliance gaps persisted, especially among small-scale and remote FSOs who lacked adequate and accessible support.

TABLE 5. REPORTED CHALLENGES FACED BY FSOS FOR ADMINISTRATIVE COMPLIANCE (SOURCE: 26 FSOS CONSULTED DURING PHASE 3 THROUGH INTERVIEWS AND FOCUES GROUPS)

Type of FSO	General administrative challenge	Specific topics expressed
Large FSOs	Delays	Bureaucratic delays in the export documentation process (GFC). Conversion permits for land use changes (e.g., mining) are time-sensitive and not aligned with the realities on the ground—trees are reportedly cut before permits are granted.
Medium FSOs	Perceived Rigidity, Bureaucratic Hurdles	Perceived lack of flexibility from GFC in oversight (e.g., ignoring site improvement efforts). Time-consuming procedures and bureaucratic burden. Some reported no major issues, indicating heterogeneity in experiences.
Small FSOs	Logistical and institutional barriers	Geographic inaccessibility of GRA and NIS offices; one operator notes four visits required to complete registration. Errors in documentation and record keeping, including miscalculations. Difficulties with the use of GPS, particularly for mapping and respecting concession boundaries. For associations, individual registration of members with NIS and GRA was burdensome.
Amerindian Operators	Mixed challenges due to limited institutional support, high procedural costs	Licensing and permit acquisition, especially in villages, is a concern. Challenges with costs and GPS use for legal compliance. Some Amerindian operators are uncertain about their compliance status. A few emphasized boundary managements of concessions as an issue.

Based on the *National Forest Plan* (2018), the primary administrative obligation for FSOs holding Timber Sales Agreements (TSA) and Wood Cutting Leases (WCL) is the development and regular update (every 3 to 5 years) of a Forest Management Plan. However, this requirement applies only to large concessions. Small concessions and Community Forestry Organizations are not mandated to submit full Forest Management Plans. FSOs must also obtain and renew environmental authorizations from the EPA at least six months prior to expiry and comply with land and forest use responsibilities outlined in their concession agreements delivered by the GFC. While inspection reports were not made available for this assessment, the GFC shared Forest Management Plans of major concessions in 2018, which allowed for a detailed review of administrative compliance. We compared each forest management plan with the obligations set out in national regulations. The detailed assessment is presented in the annex 5 of the final consultancy report and its summary is presented in the table below.

TABLE 6. ADMINISTRATIVE COMPLIANCE ASSESMENT OF LARGE CONCESSIONS (SOURCE: FOREST MANAGEMENT PLANS 2018)

Compliance topic	General assessment of Forest Management Plans
Preharvesting phase	Only a subset of operators provides compartment-level planning and species/diameter-specific data as required. Several concessions lack basic components, such as assessment tables or inventory justifications, indicating inconsistent interpretation of forest management planning obligations.
Biodiversity	Most concessions meet the minimum 4.5% reserve threshold, though some rely on theoretical calculations or unverified mapping, which undermines transparency. The absence of accessible Bioreserve maps and minimal attention to faunal analysis reflect a broader weakness in the ecological dimension of forest planning.
Environmental compliance	Environmental Protection Agency (EPA), Environmental Impact Assessments (EIA), or Environmental Management Plans (EMP) A few concessions acknowledge EPA obligations, but the absence of such mentions in others suggests either weak enforcement or gaps in project-level environmental integration.
Employment, training, and occupational safety and health (OSH)	Uneven documentation. Only one operator reports concrete figures on workforce training, while others provide either no data or vague references. OSH provisions range from structured internal protocols to minimal compliance markers, with key areas such as contractor oversight and medical support poorly addressed in most cases.
National social security and tax systems (NIS and PAYE)	Lack of evidence of compliance

TABLE 7. INDICATORS 1.2. FSO'S ADMINISTRATIVE CAPACITIES

Indicators	Data source(s)	Baseline value (2018)
1.2.1. Volume of forest products in custody	No national information available FSOs interviews and focus groups Forest stations interviews	Custody is a common GFC enforcement practice, particularly affecting small FSOs and Amerindian operators. No quantitative data at national level
1.2.2. Number and % of trained workers about record keeping	GFC annual report FSOs interviews and focus groups	More than half of interviewed FSOs had received record keeping training before 2018. Most untrained FSOs were

Indicators	Data source(s)	Baseline value (2018)
Focus on women, and indigenous people		Amerindian operators[19]. National training coverage remains limited, peaking at just over 1% of the total workforce in 2017.
1.2.3. Number and % of FSOs meeting administrative obligations *By types of FSOs*	Independent Forest Monitoring report Forest Management Plans of Large concessions FSOs and Forest stations interviews	Less than 50–65% of FSOs estimated as compliant in 2018, due to inconsistent forest management planning, weak adherence to EPA and social security requirements, and persistent logistical and institutional barriers—particularly affecting small and remote operators. High frequency of late permit submissions: Over 500 cases reported in 2018, making it the most common administrative infraction in IFM reports (2015–2018).

Key conclusions:

- **Structural Compliance Weaknesses:** The IFM reports consistently highlight recurrent administrative infractions—especially late permit submissions, improper record keeping, and tagging issues—suggesting systemic weaknesses in compliance processes and traceability systems.
- **Gaps in Planning and Oversight:** Review of Forest Management Plans revealed inconsistent adherence to regulatory requirements, particularly in areas such as preharvesting planning, biodiversity mapping, OSH documentation, and NIS/PAYE compliance.
- **Training and compliance are deeply linked**: Lack of training in record keeping and administration (especially for small and Indigenous FSOs) correlates with higher rates of infractions and custody incidents.
- **Institutional capacity and coverage gaps** (e.g., GFC, FTCI, EPA, NIS, GRA) limit the provision and uptake of training and administrative support, especially outside urban centers. Costly and bureaucratic procedures, and lack of adapted tools for Indigenous and small FSOs are the main **systemic barriers** that enable them to be fully compliant.

D.2.3. Sub-impact area 1.3. Formal jobs generation and workers livelihoods

Forests are fundamental to the livelihoods of many communities in Guyana, especially among Indigenous and rural populations. Traditional practices such as hunting, fishing, and farming are often supplemented by small-scale timber harvesting and the collection of non-timber forest products (NTFPs) like lianas, medicinal plants, and palms used for food, shelter, and artisanal crafts. In many regions, communities combine traditional ecological knowledge with modern practices to support both food security and cultural continuity. Wood remains a vital resource for building homes, producing firewood, and crafting tools. Beyond subsistence, forests also underpin economic activities such as small- and medium-scale logging, community forestry, and ecotourism, while providing essential ecosystem services and raw materials for local industries. Despite growing commercial pressures, forests continue to be a cornerstone of self-sufficiency, cultural identity, and economic resilience for many Guyanese communities (AFD, 2024).

1.3.1. Number and % of formal jobs

Given the methodology used to collect information for the FSIR—primarily based on self-declarations from FSOs and typically drawn from official logbooks and records of formalized workers—it is clear that informal workers are generally not included in these reports. This was confirmed during FSO interviews, where small logger associations often only mentioned self-employed members, excluding seasonal workers, cooks, transporters, and other support roles involved in forest operations. As such, the employment figures presented in the FSIR can be reasonably interpreted as representing the number of formal jobs. To estimate

[19] In GFC annual report, 4,2% of trained persons belonged to Amerindian villages but since it does not specify for which type of training, we are not able to present this detail.

the proportion of formal versus informal employment, we therefore rely on ILOSTAT's sectoral shares, which, while not providing exact figures, were validated by interviewed FSOs and focus group participants as broadly reflective of field realities. This approach allows us to use FSIR figures for tracking formal job creation, while applying ILO-based ratios to estimate the overall employment structure. Importantly, for the purpose of this baseline study, we define a formal job as one that complies with both P.A.Y.E. and NIS regulations. This definition is consistent with Guyana's legal framework and international standards of formalization.

In 2018, the total estimated workforce in Guyana's forest sector was approximately 49,100 workers, based on figures from the GFC FSIR and adjusted using ILO informality estimates (60%). This includes 11,075 workers in production (ISIC 02) and 8,565 in processing and transformation (ISIC 16). According to ILOSTAT, the rate of formality varies significantly across sub-sectors and by gender. In the production sub-sector, informality is particularly high, with male workers representing 94% of informal workers. In processing and sawmilling, the situation is marginally more balanced, with 13% of informal workers being women. However, across both segments, informality remains the norm. These high informality levels are further explained by qualitative data collected through focus groups and interviews conducted with forest sector stakeholders. Participants noted that informality was particularly high among small concessions located far from Georgetown, where formalizing a worker required four to five trips to the NIS office to complete the necessary paperwork, making it logistically and financially unfeasible for remote FSOs. Combined with limited administrative capacity and low familiarity with formal procedures, these barriers made compliance with Labour regulations particularly difficult for remote operators. Additionally, Indigenous workers face distinct administrative barriers. According to interviews with the Amerindian Peoples Association (APA), many Indigenous individuals lack a birth certificate or other foundational civil documentation, making it impossible to complete formal employment registration. Finally, in the 80's a community forestry policy was implemented in Guyana, helping those operators to register as Friendly Societies. Organizations registered under the *Friendly Societies Act* (Cap. 36:04) are legally classified as non-profit, charitable entities and are restricted from engaging in profit-making activities—including formally employing workers[20]. This status does not allow for worker registration under NIS or PAYE schemes. **Formal job creation is largely concentrated in urban areas and within larger, structured enterprises, particularly in the processing sector**.

TABLE 8. 2018 BREAKDOWN OF EMPLOYMENT BY GENDER FOR AND FORMALITY (SOURCE: ILOSTAT)

2018 Status of employment		General	Male	Female
ISIC A02 (production)	Formal	34.6%	89%	11%
	Informal	65.4%	94%	6%
ISIC 16 (processing)	Formal	50%	82%	18%
	Informal	50%	87%	13%
TOTAL		NA	88%	12%

In conclusion, while we estimate that around 19,600 to 20,000 jobs (40%) were formal in 2018, a significant share of the forest workforce remained informal, especially within small-scale, Indigenous, and rural operations.

[20] Source: Community forestry division interview, GFC. Recent initiatives by the Ministry of Labour, supported by the FLEGT-VPA, are converting logging associations from Friendly Societies to cooperatives, enabling them to meet GRA PAYE obligations and register workers under NIS.

1.3.2. Number and % of FSOs contributing to the P.A.Y.E. and NIS.

During the VPA negotiation consultation process, numerous small-scale FSOs highlighted persistent challenges in complying with Pay As You Earn (P.A.Y.E.) tax obligations and NIS contributions[21]. These challenges were consistently linked to logistical barriers, such as the absence of nearby NIS or GRA offices—especially for operators in remote or hinterland regions—as well as to limited administrative capacity and a general lack of awareness regarding formal employment requirements. These findings were echoed throughout our field interviews and focus groups.

Qualitative insights revealed that most small and community-based FSOs operate outside the formal system, with contributions to P.A.Y.E. and NIS being the exception rather than the norm. In interviews, several operators explained that even when workers are paid regularly, they are not registered due to administrative burdens, lack of documents (especially in Indigenous communities), or fear of increased scrutiny. Others noted that registration of workers often requires multiple trips to regional offices, making compliance particularly unfeasible for remote Amerindian or small concession holders.

In conclusion, while we cannot quantify the number and percentage of FSOs contributing to P.A.Y.E. and NIS due to a lack of official data, available evidence strongly suggests that formal compliance is limited, particularly among small-scale, remote, and Indigenous operators (echoing jobs informality).

1.3.3. Number and % of permanent positions

The proportion of permanent positions in Guyana's forest sector is estimated at 76%, according to the ILOStats 2018 dataset, with temporary positions accounting for the remaining 24%. While this suggests a relatively structured labour market, particularly in formal enterprises, the reliability of absolute figures remains uncertain due to discrepancies across sources and these figures refer to employees rather than full-time equivalents—possibly excluding a significant portion of informal or seasonal labour. Focus group findings help contextualize these figures, revealing that many men in the sector alternate between forestry and mining (especially bauxite), often treating forestry as a secondary or temporary income source. In logging, approximately half of seasonal workers do not consider forestry their permanent occupation, whereas **sawmill workers are more likely to rely on forestry as a primary income**. **Seasonal employment is particularly prevalent among men**, who constitute **92% of temporary workers**, while women—though underrepresented overall—are more likely to hold permanent positions (84% versus 75% for men). Despite the existence of formal employment opportunities, many seasonal workers resist formalization due to mistrust, lack of documentation, or the requirement to live on-site in remote concessions.

TABLE 9. SHARE OF PERMANENT AND TEMPORARY JOBS IN THE FOREST SECTOR IN 2018 (SOURCE: ILOSTATS)

Type of job	Men (2018)	Women (2018)	Total (2018)
Permanent	75%	84%	76%
Temporary	25%	16%	24%

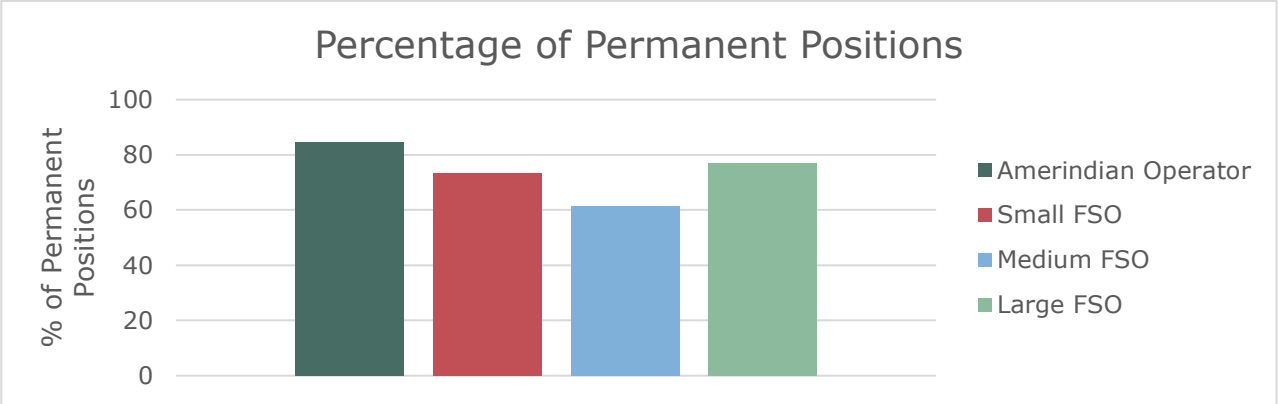
The following bar graph illustrates the percentage of permanent positions across different types of FSOs, based on interviews conducted with 17 FSOs during fieldwork. While the data is not statistically representative, it offers valuable qualitative insights into employment practices in the sector and possible bias of other data sources[22]. The trend reveals a clear gradient: larger and more structured operations (Large FSOs and Small FSOs) are significantly more likely to offer permanent employment—around 78% and 73%, respectively—compared to Medium FSOs (61%) and especially Amerindian Operators, where only 40% of positions are permanent. This pattern likely reflects differences in financial capacity, organizational maturity, and compliance with Labour regulations. Larger enterprises may have more stable revenue streams and formal procedures that support long-term employment. Conversely, the lower rate of permanent positions among Amerindian Operators suggests a heavier reliance on seasonal or informal

[21] Source: GFC reports about stakeholders' s engagement process available online.

[22] When asked in the field about their total number of workers, FSOs likely referred only to the self-employed individuals within their associations or concessions, without accounting for seasonal workers; it was only through a follow-up question—specifically asking whether they sometimes hired people for specific tasks or from outside their communities—that they acknowledged the presence of seasonal labour. This way of conceiving employment may have biased some surveys, such as the FSIR or the Bureau of Statistics Labour Survey, leading to a conservative estimate of employment in the sector and the invisibilization of seasonal work.

Labour, which may be influenced by limited access to resources, project-based operations, or systemic inequities in the forestry sector. These findings underscore structural disparities in workforce organization and highlight the need for targeted capacity-building and policy interventions to improve job security—particularly among smaller and community-based FSOs.

FIGURE 11. % OF PERMANENT POSITIONS BY FSOS BASELINE CATEGORIES (SOURCE: 17 FSOS INTERVIEWS)



The permanent job rate in Large FSOs closely mirrors the ILOSTAT national figure, suggesting that these operators are representative of the formal, regulated segment of the sector. Small FSOs also reflect a partially stable structure (mainly relying on self-employed association members), though slightly below average, possibly due to more flexible employment practices. Medium FSOs show a marked drop, perhaps indicating operational instability or mixed employment practices. The low percentage among Amerindian Operators report an average of 84% permanent workers—slightly above the ILOSTAT figure of 76%—but qualitative findings suggest this may mask more complex employment realities. For example, one operator from Huru Village explained that although nearly all community members worked in forestry, they also engaged in other activities, and their forestry work was seasonal. This indicates that while the proportion of permanent roles appears high on paper, the actual nature of the work may still be informal or part-time due to interpretation of the concept of "permanent". It also reinforces the idea that ILOSTAT data likely reflects trends in the formalized segments of the sector, while field-level insights reveal greater nuance, particularly among smaller and community-based FSOs.

1.3.4. Number and % of forest workers relying on forest activities for their livelihoods.

National data sources provide figures on employment and wage levels in Guyana but do not offer any analysis regarding the degree to which workers rely on forest activities for their livelihoods. As a result, this indicator relies mainly on qualitative data gathered through interviews and focus groups with FSOs.

These insights suggest that forest livelihood dependence varies widely across FSO types, employment arrangements, and sub-sectors within forestry. In logging operations—especially among small FSOs—around half of seasonal workers do not identify forestry as their main occupation. Many alternates with mining, particularly in the bauxite sector, depending on income opportunities. A closer look reveals a dual pattern: self-employed loggers, typically association members, often reported forestry as their primary livelihood activity—even if some also engage in secondary activities such as running small shops or transporting goods and persons by river. In contrast, seasonal workers in the same FSOs frequently rely more heavily on external income sources such as mining, cleaning drains, or farming, particularly when employment is irregular or temporary.

By contrast, workers in sawmills (often under medium FSOs) appear more likely to rely on forestry as their primary income source and tend to demonstrate greater employment stability. Most medium FSOs reported a combination of permanent and seasonal roles (see indicator 1.3.3.), and anecdotal information indicates that workers often engage in part-time work while complementing their income with fishing, farming, or informal services.

Large FSOs demonstrate structured and often exclusive reliance on forestry among their workers. These FSOs reported predominantly permanent employment (see indicator 1.3.3.), and interviews indicated that many workers had previously been engaged in mining but ceased those activities upon hiring. This suggests a high degree of forest dependence, facilitated by the formality and stability of employment offered in large-scale export-oriented operations.

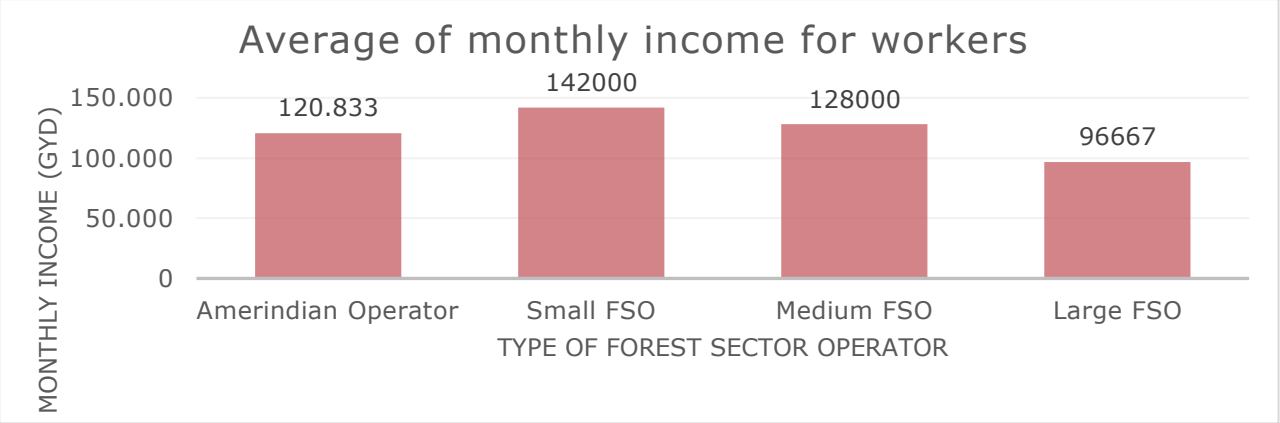
Amerindian Operators showed the highest and most consistent levels of forest dependence. In most Amerindian Village FSOs, most positions were permanent (see indicator 1.3.3.), and interviewees consistently identified forestry—particularly logging—as their main source of income. Other activities such as farming, charcoal production, or small-scale agriculture were generally cited as supplementary.

Finally, brokers emerged as a distinct category within the forest economy. While they participate in forestry activities, they typically combine it with other income-generating strategies, indicating that they do not rely solely on forest-based incomes.

1.3.5. Income level of forestry workers

Data from ILOSTAT and the FSIR about wages were compared and discussed with GFC's FMD team, and FSOs (during interviews and focus groups). Both sources were generally perceived as conservative—or even very conservative—by interviewees and focus group participants. According to key informants, one explanation for the FSIR's low figures is that the report is based on self-reported data from FSOs, and during the surveys conducted by the GFC, operators may have under-declared wages in order to avoid tax implications or other administrative burdens. In any case, both the FMD team and local stakeholders expressed that the income figures presented in both ILOSTAT and FSIR reports did not reflect reality. For reference, the GFC FSIR 2018 report indicated daily earnings for forestry workers ranging from GY$8,000–10,000 for skilled/semi-skilled workers and GY$5,000–8,000 for unskilled labourers. Meanwhile, ILOSTAT 2018 reported average monthly earnings of GY$54,902 for women and GY$74,872 for men. In light of these discrepancies, this study relies on information collected directly from FSOs during field surveys to better illustrate average earnings among forest workers. For medium and large FSOs, only employees are considered (excluding owners or managers), while for small FSOs both self-employed loggers and hired workers are included. A notable pattern observed in small concessions is that some workers are paid based on the volume of timber harvested rather than time worked, which introduces variability. To address this, we estimated the average monthly earnings by calculating a typical harvest volume per worker, allowing us to approximate comparable income levels across different types of FSOs.

FIGURE 12. AVERAGE OF MONTHLY INCOME OF FORESTRY WORKERS IN GYD (AND SELF-EMPLOYED LOGGERS) (SOURCE: INTERVIEWS OF 17 FSOS)



The survey data highlights distinct income patterns among forestry workers based on FSOs types. Small FSOs report the highest average monthly income at 142,000 GYD, followed closely by Medium FSOs at 128,000 GYD. This suggests that **mid-sized operations may strike an optimal balance between resource availability and workforce compensation**. Amerindian Operators earn a moderate average of 120,833 GYD, potentially reflecting funding limitations or market access challenges faced by Indigenous-led enterprises. Surprisingly, **Large FSOs show the lowest wages** at 96,667 GYD.

The findings reveal an interesting paradox in the forest sector: larger operators do not necessarily offer higher wages, contrary to what might typically be expected. This disparity may be explained by differences in business models, with large FSOs potentially prioritizing reinvestment in infrastructure, machinery, or expansion over immediate wage increases. Another possibility is that, given the longer-term nature of large concessions, **concessionaires may offer alternative employment benefits** such as contributory health insurance, entertainment stipends, or travel allowances, which partially substitute for higher direct wages.

TABLE 10. INDICATORS 1.3. FORMAL JOBS GENERATION AND WORKERS LIVELIHOODS

Indicators	Data source(s)	Baseline value (2018)
1.3.1. Number and % of formal jobs *Focus on women and indigenous people*	Bureau of Statistics (Labour force survey 2018) ILOSTATS FSIR for numbers estimations FSOs focus groups and interviews for confirmation of shares	**Production**: 35% of formal jobs. 50% of women working in forest sector production have formal jobs. 33% of men working in forest sector production have formal jobs. **Transformation**: 50% of formal jobs. 60% of women working in forest sector transformation have formal jobs. 46% of men working in forest sector transformation have formal jobs. General: 60% informal / 40% formal
1.3.2. Number and % of FSOs contributing to the P.A.Y.E. and NIS. *By types of FSOs*	No secondary data available VPA stakeholders interviews FSOs interviews and focus groups	No quantitative value Formal compliance is limited, particularly among small-scale, remote, and Indigenous operators.
1.3.3. Number and % of permanent positions *Focus on women and indigenous people*[23]	ILO report FSOs interviews and focus groups	Permanent jobs according to ILOSTAT: 76% of forest sector employees 84% of women working in forest sector have permanent jobs. 75% of men working in forest sector have permanent jobs. Based on qualitative data collected from FSO interviews and field surveys, approximately 53% of forest workers hold permanent positions (74% if we exclude the Amerindian operator exception) while 47% are seasonal, with significant variation across FSO types
1.3.4. Number and % of forest workers relying on forest activities for their livelihoods *Focus on women and indigenous people*	No quantitative national information available FSOs interviews and focus groups	Large FSOs: Workers mainly rely on forestry activities for their livelihoods. Medium FSOs: Often yes but income sometimes completed. Small FSOs: Self-employed rely on forestry seasonal workers no Amerindian operators: When engaged in forestry activities, logging is their main livelihood. Brokers: No, forestry is one of several sectors with which they work.
1.3.5. Income level of forestry workers *Focus on women and indigenous people*[24]	FSOs and FMD interviews (FSIR and ILOSTAT revealed to be incorrect)	Large FSOs: 96.667 GYD/month Medium FSOs: 128.000 GYD/Month Small FSOs: 142.000 GYD/Month Amerindian operators: 120.833 GYD/month

[23] No information was found about disaggregation of employment metrics for Amerindian communities.

[24] No quantitative information was found about disaggregation of incomes for Amerindian communities, but concerns were raised about wages level for indigenous workers within VPA consultation process.

Key conclusions:

- **Informality and administrative barriers are the most pervasive challenges to formalization and worker protection** in Guyana's timber sector. The formal employment rate is significantly higher in forest transformation activities (ISIC 16) (sawmilling, processing) compared to forest production activities (ISIC 2) (logging). There is a clear urban-rural divide in access to formal employment systems (PAYE/NIS), affecting Indigenous and remote FSOs disproportionately. In general, the forest sector in Guyana remains largely informal (60%), with systemic and geographic barriers limiting formal job creation—especially among small and Indigenous FSOs[25].
- **Gender imbalance is pronounced**: Men dominate employment in both formal and informal jobs. Women have a higher presence in transformation activities, in processing, administrative, or structured roles. Women are more likely to hold permanent positions (84%) compared to men (75%), though their overall participation in the sector remains low. A large proportion of temporary employment among men suggests seasonal and contract-based work patterns.
- **FSO size and structure directly impact job stability, forest dependence, and income levels**. Forest income dependency is not uniform—it is highest where employment is structured (e.g., large FSOs, community logging villages) and lowest among seasonal, unregistered workers. Income levels vary significantly, with smaller operations paradoxically offering higher average pay—though this may reflect output-based pay systems and exclude benefits or job security found in larger enterprises.

D.3. Impact area 2: Transparency, governance and rule of law

Before the initiation of the VPA negotiations in 2012, Guyana's forest sector had established several stakeholder engagement practices:

- **Institutional Committees**: The Ministry of Agriculture[26] maintained a Technical Committee comprising the GFC and the Forest Products Association (FPA), as well as a Ministerial Committee that included the GFC, FPA, and the Guyana Manufacturing and Services Association (GMSA). These bodies provided platforms to address resource management issues and facilitated dialogue among stakeholders (Almås, et al., 2014). Additionally, in several documents, there are references to stakeholders' consultations processes such as stakeholder's forum held in 2009 to reach consensus about log export ban (Goolsarran, 2015).
- **Community Engagement Initiatives**: The Iwokrama International Centre for Rain Forest Conservation and Development, established in 1996, collaborated closely with local communities to promote sustainable forest use. This partnership involved benefit-sharing mechanisms, providing financial compensation and employment opportunities to residents of surrounding communities, thereby fostering community support for conservation efforts.

While these mechanisms facilitated some level of stakeholder engagement, the VPA process introduced from 2012 a more structured and formalized framework for participation, with an emphasis on transparency and multi-stakeholder coordination. Official reports and documentation emphasize the VPA's inclusive intent, highlighting a series of national workshops held by the GFC, often in collaboration with the National Technical Working Group (NTWG)[27], between 2010 and 2018. These sessions were initially presented as consultations and were conducted across multiple regions to engage diverse actors in the forest sector and inform them about key components of the VPA, such as the Timber Legality Assurance System and the Legality Definition.

[25] Barriers to formalization include lack of civil documentation (especially among Indigenous workers), distance to NIS/GRA offices, and burdensome administrative processes. "Friendly Societies" status legally restricts some community associations from hiring workers formally.

[26] At that time, the MoA was the supervising Ministry for the GFC and the forestry sector.

[27] The NTWG was established to guide and provide technical input during the negotiation phase of the VPA, whereas the National Implementation Working Group (NIWG) was created for the implementation phase, serving as the main multi-stakeholder platform responsible for coordinating, monitoring, and supporting the VPA's execution in Guyana.

Interviews conducted with the FLEGT Secretariat—the body responsible for organizing these consultation workshops—revealed that these events did not serve as direct input mechanisms for the VPA negotiations. Instead, they primarily functioned as spaces for disseminating information about the VPA process, responding to questions, and explaining its implications to communities and forest sector stakeholders. While participants were able to express concerns and share recommendations, these contributions were not formally channelled into the negotiation process, limiting the role of these events to awareness-raising rather than substantive stakeholder influence[28]. Thus, although these activities did create opportunities for dialogue and grievance expression, their principal objective was to inform and educate stakeholders rather than to co-construct or revise VPA provisions. This distinction is important when assessing the degree of participatory influence exerted during the early stages of the VPA process. The following timeline illustrates the evolution of these engagements:

- **2010**: **Exploratory workshop on the EU FLEGT VPA programme**. While no detailed report is available for this session, it is referenced in later documents as the first national platform to introduce the concept and potential implications of a VPA to Guyana's forest sector.
- **2011**: **VPA introduction to the National Toshaos Council**. The GFC expressed its interest in receiving feedback from Indigenous communities and committed to organizing specific consultations in the following year.
- **2012**: **Constitution of the NTWG**. The GFC brought together stakeholders from various interest groups to participate in technical discussions and oversee the VPA process. While the NTWG played an important role in shaping Guyana's forestry governance structures, the broader consultation workshops organized around the country remained primarily informational in nature.

Composition of the NTWG

- Government agencies[29] (such as the GFC and relevant ministries)
- Private sector actors[30] (including timber exporters, loggers, and sawmillers)
- Indigenous and community representatives[31]
- Civil society organizations (CSOs)[32]
- Academia and research institutions[33]

Role of the NTWG

- Providing technical guidance on VPA negotiations
- Ensuring stakeholder engagement and consultation
- Discussing the Legality Assurance System (LAS) for Guyana
- Addressing concerns related to forestry legality, governance, and trade
- Facilitating communication between national and international stakeholders

- **2012**: **National Preparatory Workshop**. Formal negotiations between Guyana and the EU on the VPA began in December 2012. As part of this initial phase, a preparatory workshop was held in Georgetown to introduce the VPA framework and process to key national stakeholders. While described as preliminary consultation, its primary objective was to set the foundation for engagement and raise awareness among targeted participants.
- **2013-2017**: **Stakeholder's awareness sessions.** During this period, the GFC, in collaboration with the NTWG, organized a series of regional workshops to present the main elements of the VPA—particularly the Timber Legality Assurance System and the Legality Definition. Although initially referred to as "consultations," interviews with the FLEGT Secretariat clarified that these sessions

[28] Corresponding to information sharing and consultation types of engagement described in stakeholders engagement guide for VPA in Guyana published in 2023.

[29] Ministry of Natural Resources, Ministry of Foreign Affaires, Ministry of Indigenous Peoples' affairs, Ministry of Legal Affairs, GFC and GRA

[30] FSOs and professionals associations : Forests Products Association, Guyana Manufacturers and Services Association, Exporters of Timber Products and Forest Products Development and Marketing Council.

[31] Forest Peoples Programme, Amerindian Peoples Association

[32] Policy Forum Guyana, Transparency Institute Guyana Inc.

[33] University of Guyana and Iwokrama International

were primarily designed for information sharing and awareness-raising, rather than to collect input that would shape the content of negotiations. A particular focus was placed on Indigenous villages and community forestry operators, as the GFC had received targeted **support from the FAO** to engage these groups. This focus reflected a broader strategic approach: while large concessions were already largely compliant with the formalization requirements of the VPA, outreach efforts prioritized FSOs that were not yet aligned with these standards. This strategy was reviewed with Indigenous representatives at the national level, who advised that the GFC not limit its efforts to communities already involved in logging, but also reach those that might be interested in entering the sector in the future. During the same period, the FLEGT Secretariat also engaged with private sector actors and professional associations to receive feedback and recommendations. However, according to the Secretariat, these meetings were not formally documented. Communication materials such as factsheets and videos were widely disseminated during regional workshops, and participants were invited to share questions, concerns, and suggestions. While each comment was carefully recorded and responded to—these matrices remain publicly accessible on the VPA website—this documentation served as a transparency and accountability mechanism and provides a valuable snapshot of stakeholder perceptions and awareness during the negotiation phase.

- **2016**: **International seminar**. Guyana hosted a seminar titled *"Sharing Regional Lessons on VPA Processes Transitioning from Negotiation to Implementation,"* bringing together stakeholders from Guyana, Ghana, and Indonesia. This event served as a regional platform for peer exchange and learning across countries engaged in different phases of the VPA process, reinforcing Guyana's commitment to transparency and international dialogue.
- **2018**: Guyana and the EU concluded VPA negotiations in 2018 and initialled the agreement in November of that year.

D.3.1. Sub-impact area 2.1 Transparency

Transparency involves clear, accessible, and open communication of policies, decisions, and processes, enabling public scrutiny and fostering trust, accountability, and anti-corruption efforts. In the context of the VPA, transparency is defined in its Annex IX, which outlines the types of information to be published by the JMRC, Guyanese national institutions, and the EU, as well as the methods and communication strategy to be used. The GFC released an initial VPA communication and consultation strategy in 2015 (updated in 2022), though the original version is no longer available online.

2.1.1. Description of information sharing activities and processes implemented and compliance with VPA – Annex IX

Prior to 2016, the main channel for disseminating VPA-related information was through in-person consultation workshops with stakeholders. This approach was essential to ensure that a wide range of actors received accurate and accessible information about the VPA process, especially given the limited internet connectivity across many regions at the time. For example, in 2017 only 37.3% of Guyana's population had internet access, rising to 51.1% in 2018. This low connectivity confirmed that direct, in-region engagement was the most effective strategy to ensure inclusive outreach. To support these efforts, three key communication tools were distributed: a fact sheet summarizing the VPA and its implications, an explanatory video to simplify complex topics, and a comment matrix that allowed stakeholders to provide feedback on each principle and criterion of the legality definition. The Guyana-EU FLEGT VPA website first went live in early 2016 coinciding with the update to the VPA annexes, which were published on the site. When interviewed about how do FSOs knew about the VPA before 2018, they all answered that the information was shared with them in person through meetings and workshops and never mention the website.

To assess transparency during this period, the content of these information sharing workshops was compared with the transparency commitments listed in Annex IX of the VPA, which outlines the types of information that should be made public, the responsible entities, and methods for communication. A structured scoring system was used to evaluate the availability and quality of public information:

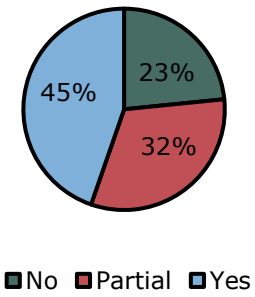
- **YES – Fully compliant**: Information was accessible, accurate, and regularly published[34].

[34] After the agreements around the VPA communication strategy (2022), it will be relevant to assess also the quality of disclosed information and its adaptation to different audiences in Guyana (i.e. translations into Amerindian languages, simplification of technical documentation etc.)

- **PARTIALLY – Partially compliant**: Information existed but was difficult to access, published only once, or incomplete.
- **NO – Not compliant**: No information was made available during the reviewed period.

This method enabled a systematic baseline analysis of transparency, identifying both strong points and significant gaps in the public dissemination of VPA-related information. The full results of this assessment are detailed in Annex 5 of final consultancy report.

FIGURE 13. LEVEL OF COMPLIANCE WITH ANNEX IX OF PUBLIC ACCESS TO INFORMATION ABOUT THE VPA BEFORE 2018



This annex identifies 67 topics intended for public disclosure under Annex IX of the VPA. Of these, 20 were deemed not applicable during the period under review (2010–2018), as they pertain to FLEGT licensing or phases of VPA implementation that had not yet begun. Based on the remaining applicable topics, the estimated level of compliance with Annex IX during this baseline period was approximately 45%. Despite this moderate baseline, notable progress was made following the initialing of the VPA in 2018. Key developments included the adoption of a formal communication strategy and action plan, increased availability of online publications, and the organization of regular workshops and informational events. These efforts suggest that the first round of VPA impact monitoring is likely to capture tangible improvements in transparency, particularly in terms of information dissemination and stakeholder outreach.

2.1.2. Number and % of Forest stakeholders effectively accessing the information disclosed

The first metric relevant to this indicator is the number of stakeholders—both entities and individuals—who participated in the various VPA consultation sessions. Given the logistical constraints of reaching remote areas and the limited internet connectivity in many regions during the 2010–2018 period, the GFC and NTWG opted for in-person workshops to ensure that information was effectively conveyed and comprehended. The live format enabled real-time exchanges, allowing participants to ask questions and clarify key elements of the VPA, which enhanced overall understanding.

Importantly, the field mission provided an opportunity to revisit and refine the categorization of stakeholders involved in these sessions. Both Mr. Singh, during the JMRC meeting, and the FLEGT Secretariat Director highlighted the need to clearly identify Indigenous NGOs that participated in the consultation process—an aspect that had been previously underrepresented or not adequately distinguished in existing records. The following figure presents a corrected version of the stakeholder categorization, incorporating insights gathered during the field mission.

FIGURE 14. VPA STAKEHOLDERS DIRECTLY RECEIVING INFORMATION ABOUT VPA BETWEEN 2010 AND 2018 (SOURCE: AVAILABLE DOCUMENTATION ONLINE AND INSITUTTIONS INTERVIEWS IN GUYANA)

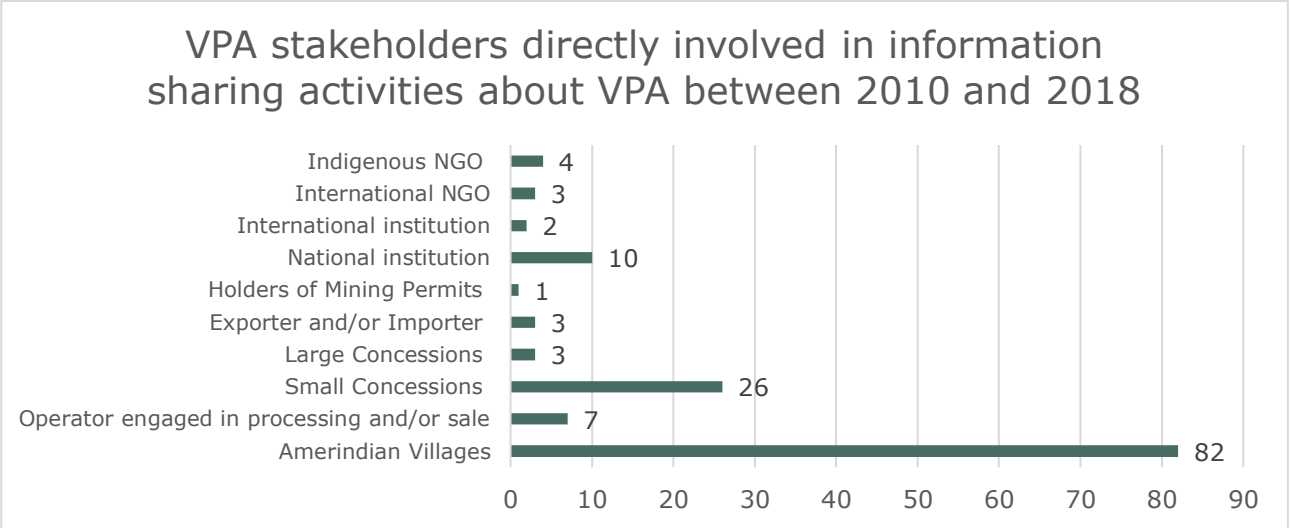
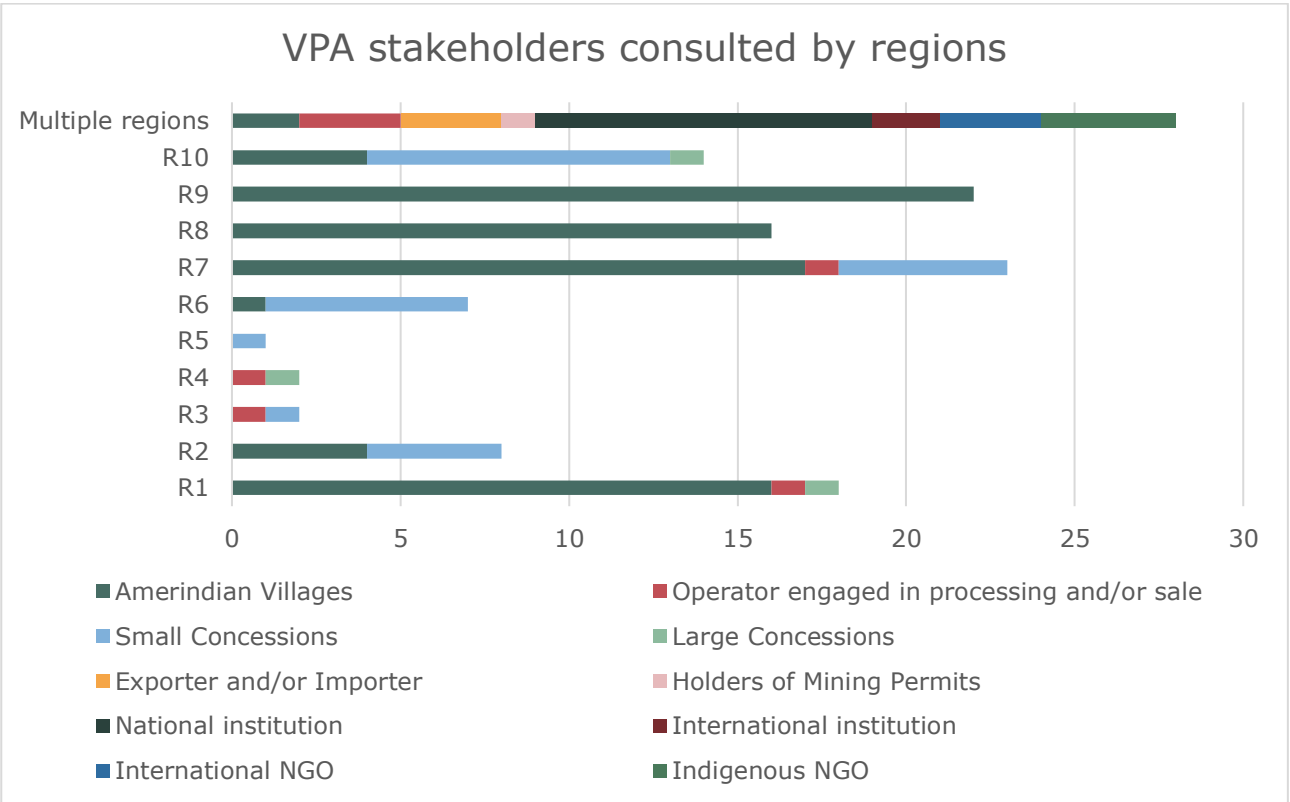


FIGURE 15. VPA STAKEHOLDERS DIRECTLY RECEIVING INFORMATION BY REGION BETWEEN 2010 AND 2019 (SOURCE: AVAILABLE DOCUMENTATION ONLINE AND INTERVIEWS IN GUYANA)



Based on available reports, an estimated 122 FSOs and 19 other VPA stakeholders participated in awareness raising sessions during the negotiation phase. Amerindian communities were the most consistently represented group, particularly in regions 1, 2, 7, 8, and 9—reflecting their geographic distribution and suggesting that outreach efforts were especially directed toward Indigenous stakeholders. Small concession holders and chainsaw loggers were also well represented, especially in regions 2, 6, and 7. In contrast, participation from operators involved in processing and sales was limited, primarily observed in regions 3, 4, and 7. Large concessions were less represented (2 in total), with attendance noted mainly in regions 4 and 9 (and potential alternative engagement sessions such as bilateral meetings with GFC).

Most community forestry actors reported having participated in at least one VPA session prior to 2018, while participation among large concession representatives was more limited, according to focus groups and interviews. However, a consistent issue identified across FSO types was poor internal transmission of information, with many stakeholders indicating that VPA-related content was not effectively shared within their organizations or communities.
To assess the qualitative dimension of this indicator, numerous publicly available reports document the concerns and questions raised by stakeholders during VPA awareness raising sessions. These records provide valuable insight into participants' understanding of the process and reflect the effectiveness of the information-sharing strategy implemented at the time. Several structural challenges to effective communication were identified, particularly concerning outreach to small-scale loggers and Amerindian villages. These included:

- Limited internet access in remote areas, restricting access to online materials.
- Language and literacy barriers, with technical and legal language often impeding understanding.
- Geographical isolation, making in-person participation in sessions difficult.
- Weak internal dissemination mechanisms, as information shared with community representatives often did not reach the wider population.

Consultation sessions held in 2015 and 2016 revealed concerns about limited communication in forested regions and the lack of effective information sharing with Amerindian communities. While some participants were well-informed, the GFC acknowledged that messages often failed to reach wider community members due to weak follow-up and poor connectivity. To address these gaps, stakeholders proposed several strategies to implement in the future, particularly for improving outreach in Amerindian villages:

- Using existing structures like monthly village meetings and community leaders to disseminate updates.
- Appointing two FLEGT awareness representatives per community.
- Including the National Toshaos' Council and Indigenous Peoples' Commission in awareness activities.
- Organizing small group sessions with tailored materials (fact sheets, posters).
- Maintaining regular written, telephone, or email contact with the FLEGT Secretariat.
- Distributing printed materials to ensure accessibility for those without digital access.

TABLE 11. INDICATORS 2.1. TRANSPARENCY

Indicators	Data source(s)	Baseline value (2018)
2.1.1. Description of information sharing activities and processes implemented and compliance with VPA – Annex IX	Reports published on : https://euflegt.gov.gy/resources/#reports And VPA and annexes FLEGT Secretariat interview	25 sessions for stakeholders awareness, information and capacity building across 10 regions during 7 years. 1 factsheet disseminated VPA and annexes draft Workshops support presenting the VPA, Independent audit, legality definition among other key topics. 1 video explaining VPA process and negotiations Level of compliance in terms public access to information as stated in annex IX: - Complete compliance for 45% of topics - Partial compliance for 32% of topics - Non-compliance for 23% of topics
2.1.2. Number and % of Forest stakeholders effectively accessing the information disclosed *Focus on Indigenous people and rural communities' effective reception and understanding of disclosed information*	Reports published on : https://euflegt.gov.gy/resources/#reports FSOs interviews	122 FSOs and 15 other VPA stakeholders informed Level of effectiveness of information disclosure: • High for the direct attendants to the workshops. • Low or uncertain for the indirect VPA stakeholders (second degree of information)

Key conclusions:

- **Transparency commitments were partially fulfilled during the negotiation phase:** While foundational efforts were made, systematic and complete compliance with VPA transparency obligations was lacking prior to 2018. Out of 67 transparency-related topics outlined in Annex IX of the VPA, only 47 were applicable during 2010–2018. Of those, less than half met full compliance, indicating substantial gaps in the systematic publication of VPA-related information.
- **The consultation model was contextually appropriate but had limitations:** In-person workshops were a necessary choice due to infrastructure limitations (internet access) but lacked mechanisms for durable and wide-reaching knowledge transfer. The inability of participants to relay information to non-attending community members diluted the effectiveness of awareness efforts.

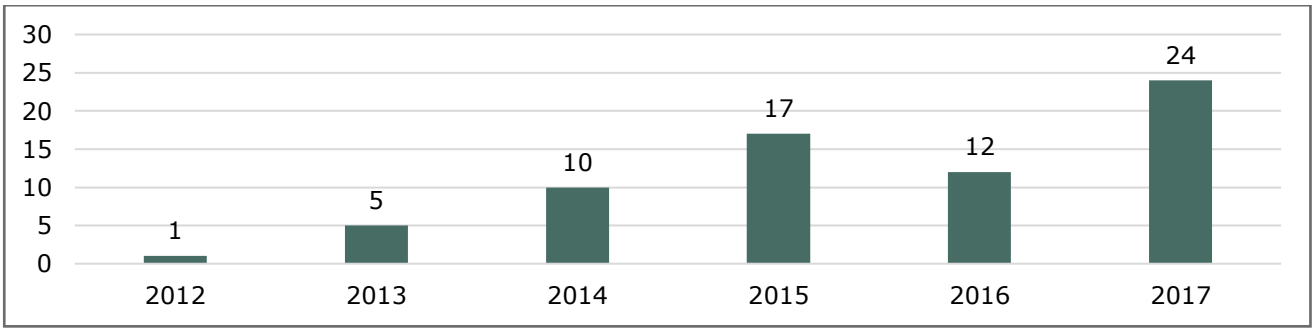
D.3.2. Sub-impact area 2.2. Meaningful stakeholder's engagement

Stakeholder consultation is a fundamental component of the VPA process, ensuring inclusive decision-making in forest governance. The primary objective of stakeholder consultation process during the studied period (2010-2018) was to foster participation, gather recommendations and build consensus around the negotiation of the VPA, thereby improving governance and enhancing its legitimacy and adaptation to every FSOs reality. Despite its significance, meaningful stakeholder consultation presents several challenges. In Guyana, civil society involvement has been hindered by conflicting stakeholder interests, insufficient commitment of time and resources, and competing allegiances (FLEGT-VPA International seminar report , 2016). Despite important efforts to set up numerous consultation sessions in regions with them, Indigenous peoples have expressed concerns about their representation in the VPA process (FLEGT-VPA International seminar report , 2016). Their involvement has been affected by limited financial resources, lack of capacity-building opportunities, and insufficient networking among indigenous groups.

2.2.1. Description of implemented stakeholders' engagement processes

Between 2012 and 2017, a series of stakeholder consultation sessions were held across Guyana as part of the EU FLEGT VPA process, engaging over 2,000 participants from a wide range of stakeholder groups. While these sessions were framed as consultations, interviews with the FLEGT Secretariat and FSOs reveal that they primarily served as platforms for information sharing and capacity building, rather than genuine stakeholder consultation. Comments and concerns raised by participants were usually addressed on the spot but were not integrated into the negotiation process. Nonetheless, consistent cross-cutting themes emerged throughout the sessions. These included the need for inclusive, culturally appropriate communication—especially with Indigenous and remote communities; recognition of traditional governance systems and unresolved land titling issues; and demands for greater benefits and representation for small loggers and community forest operators. Stakeholders also highlighted challenges related to legal clarity, the financial burden of compliance (notably protective gear), limited access to social services like NIS and GRA, Labour rights, and occupational safety. Concerns were also raised about the transparency and independence of oversight mechanisms, the coherence between the VPA and national policies such as the Low Carbon Development Strategy (LCDS), and ongoing environmental threats and forest governance issues, all underscoring the need for a more participatory and responsive implementation framework.

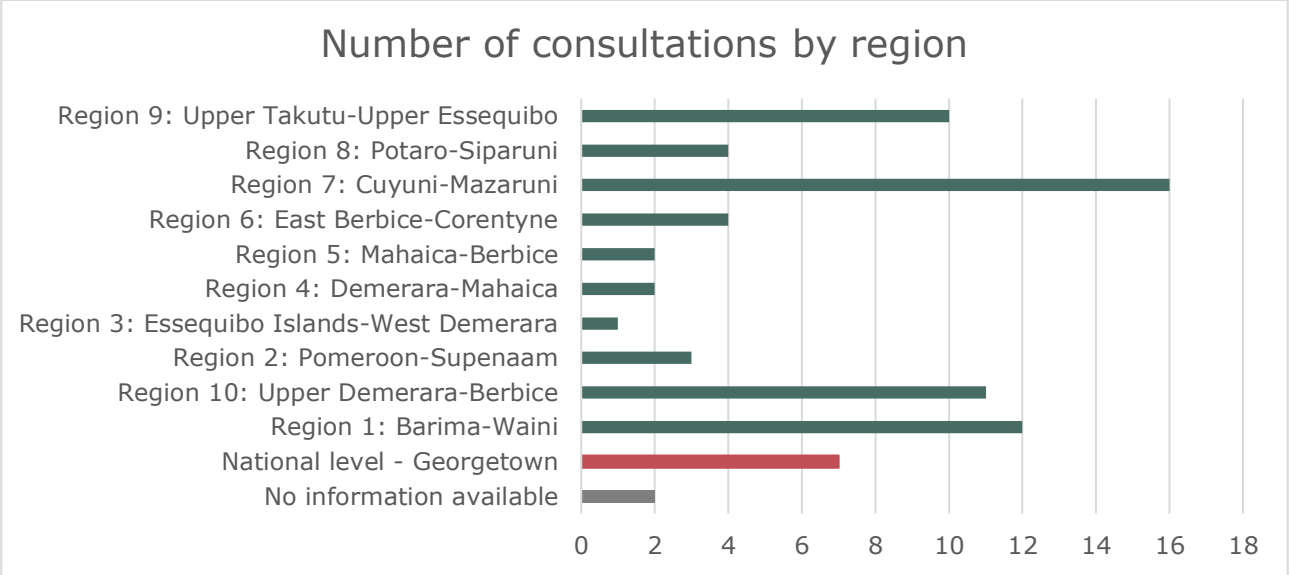
FIGURE 16. NUMBER OF VPA CONSULTATION WORKSHOPS HELD BY YEAR FROM 2012 TO 2018



The graph shows a clear upward trend in the number of VPA consultation workshops held annually from 2012 to 2017. Starting with just 1 workshop in 2012, the number increased steadily, reaching 24 workshops

in 2017. This reflects **the progressive institutionalization of stakeholder engagement** as Guyana moved toward the implementation of the VPA.

FIGURE 17. NUMBER OF CONSULTATIONS BY REGION FROM 2012 TO 2018

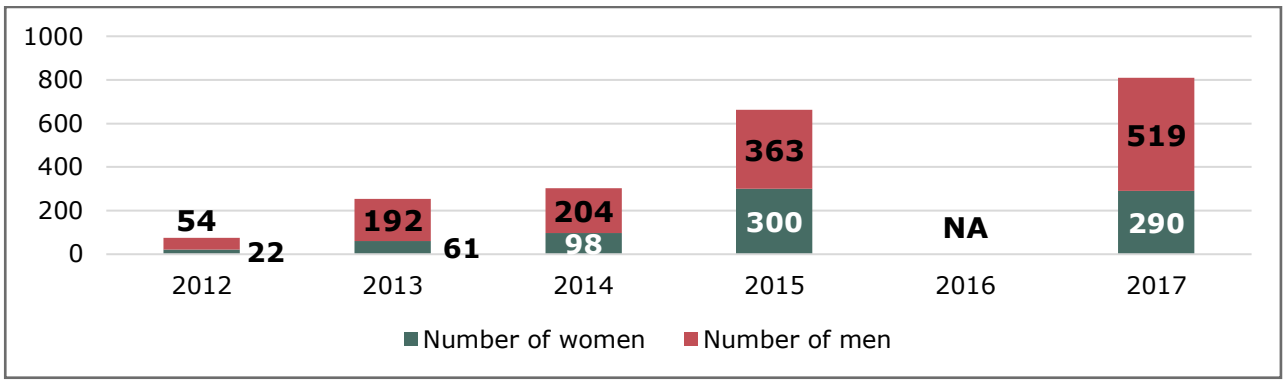


Consultations were concentrated in key forestry regions—particularly Region 7, Region 1, Region 10, and Region 9. In contrast, coastal and more urbanized regions were less represented, reflecting their more limited direct involvement in forest operations. Seven consultations were held at the national level (Georgetown). Overall, this distribution suggests a focus on forest-dependent territories and operational hotspots, a pattern reinforced by funding orientations, notably FAO programmes aimed at engaging forest-dependent communities during this period.

2.2.2. Number of participants and represented entities to engagement processes

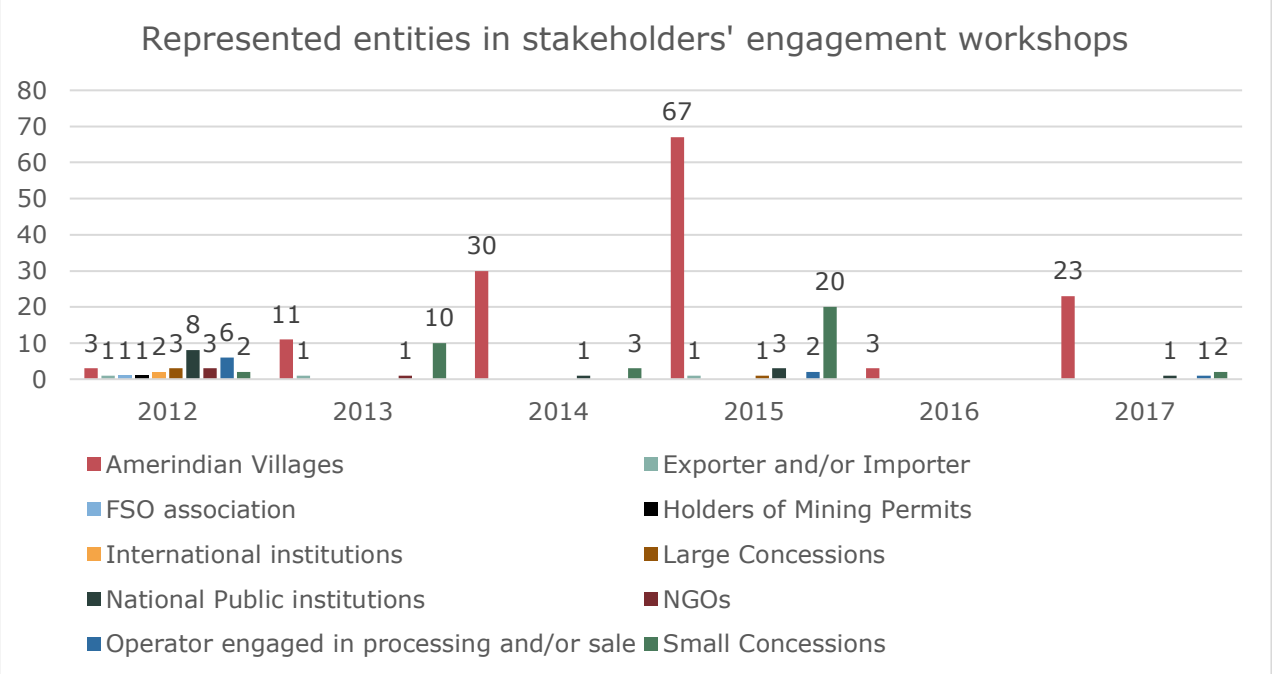
Analyzing the number of participants and represented entities offers valuable insights into stakeholder engagement trends, the inclusiveness of the consultation process, and the extent to which key groups were involved in decision-making. The data reveal several key patterns. First, there was an overall increase in participation: the number of attendees rose from 76 in 2012 to 809 in 2017, suggesting a sustained effort by the GFC and the NTWG to expand outreach, although this growth is partly explained by the increase in the number of workshops and may not fully reflect a broader diversity of stakeholders reached. Correspondingly, the number of workshops increased from just 1 in 2012 to 24 in 2017, illustrating a broadening of engagement efforts. Second, **gender representation showed notable variation**. The number of female participants rose from 22 in 2012 to a peak of 300 in 2015, with the proportion of women fluctuating between 24% and 45% over the years, indicating progress toward more inclusive participation, albeit inconsistently. Third, despite the increase in total events, **average attendance per workshop declined over time**. This is consistent with the evolving strategy to prioritize localized outreach—particularly to Amerindian villages and smallholder communities—resulting in smaller, community-based sessions rather than large, centralized meetings.

FIGURE 18. EVOLUTION OF ATTENDANCE TO STAKEHOLDERS' ENGAGEMENT SESSIONS BY GENDER FROM 2012 TO 2018[35]



Analyzing the number and types of participating entities reveals important trends in stakeholder representation throughout the consultation process. **Participation from Amerindian Villages grew significantly**—from just 3 in 2012 to a peak of 67 in 2015—reflecting both targeted outreach efforts originated by an international cooperation founding from the FAO and increased interest from communities to engage with and understand the FLEGT-VPA process. Small concession holders also saw a marked rise in involvement, increasing from 2 participants in 2012 to 20 in 2015. However, their presence dropped back to 2 in 2017, suggesting that participation may have been hindered by the geographic concentration of workshops in urban centers like Georgetown and related logistical or financial barriers. Engagement from other key stakeholder groups was more inconsistent. NGOs, for example, had relatively strong involvement in 2012 (8 participants) but their presence declined in subsequent years. Actors involved in processing and/or sales (or mining operators) were underrepresented, with only one or two participants attending.

FIGURE 19. EVOLUTION OF ENTITIES ATTENDANCE TO STAKEHOLDERS' ENGAGEMENT SESSIONS FROM 2012 TO 2018



Several factors help explain the limited engagement of certain stakeholder groups—such as NGOs, mining operators, processors, and exporters/importers—in the VPA consultation process documented by reports available online. First, the availability of FAO funding specifically targeted at indigenous and community

[35] Although there were 12 workshops conducted in 2016, the reports do not mention the number of participants.

stakeholders led the NTWG to develop and implement a **dedicated outreach methodology focused on Amerindian Villages and small concession holders**. As a result, efforts were concentrated on engaging these groups, which showed notable growth in participation. Second, **mining operators reportedly did not perceive the relevance of the VPA to their sector** and thus did not prioritize involvement. Third, **large forest sector operators maintained direct communication channels with the GFC**, enabling them to participate in specific, targeted meetings outside the general consultation framework. This privileged access may have reduced the perceived need for their presence in broader stakeholder workshops. However, this approach appears to have left a **gap in engagement for medium-scale operators** involved in processing and domestic timber sales, as well as for value chain actors not regulated by the GFC, such as construction companies, furniture retailers, and other downstream users. These stakeholders were neither directly engaged through formal meetings nor reached through broader consultation sessions, suggesting a blind spot in the inclusiveness of the stakeholder engagement strategy.

2.2.3. Level of VPA stakeholders' satisfaction with the engagement processes

According to available consultation reports, the stakeholder engagement process for the VPA in Guyana (2010–2018) was extensive and generally well-received, with broad recognition of the inclusive approach adopted. The European Parliament acknowledged this in its 2023 resolution, highlighting the strong participation of various stakeholders and underscoring the importance of continued multi-stakeholder engagement during the implementation and monitoring phases (European Parliament, 2023). The VPA also significantly strengthened inter-agency collaboration, with Jacy Archibald, GFC's Corporate Secretary, noting that the process "*clarified mandates, fostered collaboration, and ensured coordination*" among government agencies (Guyana Forestry Commission, 2018).

However, qualitative findings from interviews and analysis of participant data reveal key limitations in the representativeness of consultations. According to the FLEGT Secretariat and stakeholders interviewed, the majority of sessions were designed more for information-sharing and capacity building than genuine multi-stakeholder consultation. While comments raised during workshops were acknowledged and responded to on the spot, they were not systematically integrated into the negotiation process. The NTWG, supported by FAO funding, concentrated its outreach strategy on Indigenous and forest-dependent communities. This resulted in significantly increased participation from these groups in 2014–2015. However, other actors were less engaged. Mining operators were reportedly disinterested, viewing forest legality frameworks as outside their sectoral relevance (Jones, 2023). Large private sector operators had direct communication channels with the GFC, which enabled them to engage through targeted technical meetings rather than public consultations. Meanwhile, mid-sized forest operators involved in processing and domestic sales, as well as downstream actors not directly regulated by the GFC (e.g., construction companies, furniture retailers), were largely absent from the process. Civil society actors such as the APA also expressed (within a formal report and during this consultancy interviews) dissatisfaction, pointing to rapid consultation timelines, use of technical language, and limited adaptation of materials to Indigenous contexts (Almås, et al., 2014). Concerns about the fulfilment of Free, Prior and Informed Consent (FPIC) obligations suggest that, despite outreach efforts, meaningful engagement with Indigenous communities was inconsistent and often hampered by communication barriers (Jones, 2023).

The private sector's role, though underrepresented in broad stakeholder workshops (especially medium size FSO), was nonetheless influential in the VPA negotiation process. A 14-member delegation, including private sector representatives, contributed to key technical discussions in Brussels in 2013, helping shape the legality definition and Guyana's Legality Assurance System (Times International, 2013). The process ultimately led to major legal reforms, including updated Forest Regulations in 2018. Deonarine Ramsaroop, President of the Forest Products Association, praised these developments for improving legal clarity and enhancing the operational environment for businesses (Facility, VPA Africa – Latin America, 2018). He also emphasized the collaborative spirit of the VPA: "*The VPA process has done wonders for Guyana. It brings the private sector, civil society, and the regulators to one table*." This reflects a high level of satisfaction from private actors who were directly engaged.

Overall, the VPA consultation process was characterized by strong government leadership, participation from forest-dependent communities, and targeted involvement from private sector and civil society actors. However, important limitations remain in terms of inclusiveness and stakeholder balance. Satisfaction levels can therefore be assessed as follows:

- **Public institutions: High** – with national agencies playing a central role and receiving international recognition for their coordination efforts.

- **Private sector: Medium to high** – while generally satisfied with the consultation outcomes, participation was uneven, with large operators better represented than smaller or mid-sized businesses.
- **Amerindian communities: Medium to low** – despite improved outreach, challenges with accessibility, language, and meaningful inclusion limited the impact of their participation.

TABLE 12. INDICATORS 2.2. MEANINGFUL STAKEHOLDERS' ENGAGEMENT

Indicators	Data source(s)	Baseline value (2018)
2.2.1. Description of implemented stakeholders' engagement processes	FLEGT VPA reports on stakeholders consultation sessions (available online) FLEGT Secretariat interview Focus group and interviews with FSOs	69 workshops in total over a period of 8 years Every region of Guyana visited at least one time
2.2.2. Number of participants and represented entities to engagement processes *Focus on women and Indigenous people*	FLEGT VPA reports on stakeholders consultation sessions (available online) FLEGT Secretariat interview Focus group and interviews with FSOs	2103 participants[36] to consultation workshops in total over a period of 8 years (771 women) 211 entities represented in total over a period of 8 years (among which 82 were Amerindian organizations, 39%)
2.2.3. Level of VPA stakeholders' satisfaction with the engagement processes	Press articles, academic research papers. FSOs interviews and focus groups. Indigenous NGOs interviews	Public institutions (national and international): high Private sector: high-medium (low representativity and notable difference between large FSO ranked as high and medium FSOs ranked as medium) Amerindian communities: medium-low

Key conclusions:

- The VPA stakeholder consultation process in Guyana (2010–2018) demonstrated **strong institutional leadership**, particularly by the GFC and the NTWG, organizing 69 workshops across all regions and reaching over 2,100 participants. It was **ambitious and widespread**, laying a solid foundation for participatory forest governance. However, **the quality of participation was inconsistent**—with many workshops focusing on dissemination rather than genuine consultation.
- A targeted outreach strategy, supported by FAO funding, led to **substantial participation growth from Amerindian villages** (from 3 in 2012 to 67 in 2015) **and small concession holders**. However, **limitations in capacity building, communication barriers, and a lack of adapted materials** hindered the depth of Indigenous engagement (Almås et al., 2014; Jones, 2023).
- **Inclusiveness gaps persist**, especially for medium-scale operators and downstream actors not directly regulated by the GFC.

D.3.3. Sub-impact area 2.3. Grievance and conflict resolution mechanisms

Effective grievance and conflict resolution mechanisms are key to ensuring transparency, fairness, and trust in the VPA process. They offer structured channels for stakeholders—including government, private sector, and communities—to raise and resolve disputes. This sub-impact area assesses the accessibility, effectiveness, and responsiveness of these mechanisms.

[36] Limitation: This number represents the sum of participants to each workshop, but some persons may have participated to several workshops.

2.3.1. Methods implemented to listen and respond to complaints linked to the VPA implementation

The 2018 *National Forest Policy Statement* acknowledged the importance of effective grievance mechanisms to manage intra- and inter-sectoral conflicts, reflecting policy-level commitment to accountability and transparency (Cooperative republic of Guyana, 2018). **Key mechanisms**—such as the **REDD+ Grievance and Redress Mechanism** and the **VPA-specific complaints procedures**—were still under development and not yet operational before 2018. Nonetheless, several **local and sector-specific grievance mechanisms** were functioning prior to 2018 (described in the table below).

TABLE 13. TYPES OF GRIEVANCE RESOLUTION MECHANISMS OPERATING BEFORE 2018 IN FOREST SECTOR

Type of mechanism	Entities and responsibilities
Local community mechanisms	Under the *Amerindian Act* of 2006, Amerindian Village and Community Councils are empowered to: - Make and enforce rules. - Investigate breaches of these rules. - Allocate lands and resolve land disputes. - Negotiate commercial agreements for mining and forestry on Amerindian lands.
Sector specific mechanisms	Guyana Lands and Surveys Commission (GLSC), Governed by the GLSC Act and the *State Lands Act*: - Investigating and resolving complaints. - Enforcing terms and conditions of leases, licenses, and permissions. Guyana Geology and Mines Commission (GGMC), Operating under the *GGMC Act and the Mining Act*: - Investigating and resolving mining-related complaints. - Enforcing permit conditions. - Law enforcement within the mining sector. Guyana Forestry Commission (GFC), Established by the *GFC Act* and the *Forests Act*: - Investigating and resolving forestry-related complaints. - Enforcing forestry laws and regulations.

A review of the VPA consultation process documentation shows that since the 2013 Stakeholder Awareness Session on FLEGT, stakeholders were consistently provided with opportunities to raise concerns and request clarifications during consultation sessions through to 2018. The detailed Q&A records from these sessions include multiple inquiries about which grievance mechanisms to use. In such cases, the GFC typically responded by indicating that the issue would be referred to the appropriate public institution. However, findings from interviews and focus groups with small-scale FSOs reveal that while many operators had grievances—such as disputes over boundary encroachment by neighbours or river pollution caused by sawmills—they were often **unclear on how to report these issues formally**. Despite this, **most expressed confidence in the GFC's ability to resolve such matters**, typically by **approaching the nearest forest station directly** to discuss and address their concerns informally.

2.3.2. Number of formally registered grievances linked to the VPA implementation

There is no available record of formally registered grievances related specifically to VPA implementation before 2018. However, documentation from stakeholder consultation sessions reveals that various grievances and concerns were informally reported during these events. These often received on-the-spot responses, with follow-up actions delegated to the relevant public institutions or local governance bodies.

Land use and titling conflicts were among the most recurrent issues, particularly in areas where **mining activities overlapped with forested territories**, raising concerns about the lack of protection for Indigenous and forestry stakeholders. In Imbaimadai, participants noted that timber left unmonitored

during mining operations was frequently stolen. The GFC's response was to advise that such cases be reported to the Village Council, which would in turn notify local police and the GFC for enforcement action. Village Councils were also cited as having the authority to seize equipment or products involved in infractions.

OSH also emerged as a significant concern. Stakeholders requested **first aid kits and OSH training**, noting that available safety gear was often unsuitable for Guyana's tropical climate. Additionally, participants expressed **difficulty in meeting NIS obligations**, particularly for temporary workers in remote areas. The Orealla Loggers Association requested specific NIS training, while communities in Moruca highlighted the high cost of travel to Corriverton to make contributions. Similar issues were raised regarding GRA payments, due to the lack of local offices.

Concerns were also raised around **labour conditions**, including delayed payments, lack of formal contracts, and unfair compensation[37]. In such cases, the GFC advised stakeholders to report these to the Village Council, which would then escalate the issue to the Ministry of Amerindian Affairs and the GFC.

In Port Kaituma, stakeholders identified **poor road conditions** as a major barrier to market access. The GFC committed to raising the issue with the NTWG and the Ministry of Public Works. **Environmental concerns** were also voiced, such as in Chiliber (Yamparo) where participants requested that the Environmental Protection Agency investigate river pollution[38].

In Katoonarib, Amerindian participants reported that **agricultural leases were granted without consulting the Village Council**, and that lessees had burned forest products. The GFC indicated it would refer the case to its Forest Monitoring Division for follow-up.

Interviews and focus groups with **small-scale FSOs** further revealed that while many operators experienced grievances—especially around boundary disputes and environmental degradation—they often lacked knowledge of formal reporting channels. Nonetheless, most **expressed trust in the GFC** and reported grievances informally by contacting their nearest **forest station**, relying on these local offices to mediate and address conflicts directly when they could not do it themselves.

2.3.3. % of resolved grievances linked to the VPA implementation

Conflicts and grievances reported to the GFC prior to 2018 were addressed with **varying degrees of success**, largely depending on the nature and severity of the issue. In cases involving **boundary disputes** between neighbouring concessions or **disagreements over measurement units** used in timber sales, the GFC was sometimes able to intervene and resolve matters relatively quickly at the local level. However, resolution was not always guaranteed—one FSO, for example, noted that although they reported timber theft, the perpetrator was never identified. More complex issues, particularly those involving **environmental degradation**, proved harder to address. A notable case from Bethany Amerindian Village highlights this challenge: in 2012, the community reported river pollution caused by an upstream sawmill, which impacted their livelihood. Despite the early grievance, it was only in 2025 that they received support in the form of a water tank to access safe drinking water. Other unresolved issues included conflicts with mining operators, where a delayed permit process for a large FSO led miners to harvest timber illegally. The GFC attempted to intervene but was ultimately unsuccessful.

While it is not possible to present a national quantitative analysis for this indicator, the available evidence points to clear patterns: the GFC's capacity to resolve grievances tended to decrease as the complexity or cross-sectoral nature of the conflict increased.

2.3.4. Average resolution timeline (in number of days) of grievances and disputes treated through the VPA complaint mechanism

There is no public information on the grievances resolution time[39]. The only reference found is in the Report of the International Stakeholders Consultation on the EU-FLEGT VPA Process in Guyana (Georgetown, 2016), which stated that: "*When a letter is sent to GFC, the time it takes to get a response is too long*

[37] Issues confirmed by the APA interview as broadly spread among Indigenous communities.

[38] The same concern was expressed by Amerindian community of Bethany during regional visits.

[39] To address the lack of data for this indicator, a proposal was made during the second scoping meeting of this consultancy to analyse case studies of grievances documented under Indicator 2.3.2. However, this proposal was not prioritized by the GFC.

when the issue is urgent. Efforts have been made to minimize the response times by the GFC. Sometimes there are other agencies which need to supply information, or an investigation needs to be carried out" (COOPERATIVE REPUBLIC OF GUYANA, 2018). During the interviews conducted at forest stations, one station stated that grievances were generally resolved within two days. The FSOs interviewed provided additional insights, indicating that minor disputes or operational issues typically took one to two weeks to resolve on average. However, when focusing specifically on environmental grievances—which are often more complex and involve multiple stakeholders—the picture changes significantly. The two documented cases of environmental grievances that were reported at the national level were only resolved after several years, with resolution times extending up to ten years.

TABLE 14. INDICATORS 2.3. GRIEVANCE AND CONFLICT RESOLUTION MECHANISMS

Indicators	Data source(s)	Baseline value (2018)
2.3.1. Methods implemented to listen and respond to complaints linked to the VPA implementation	Forest Policy statement 2018	Two types of grievance mechanisms : local community mechanisms and sector-specific mechanisms (GLSC, GGMC, and GFC) related to potential conflicts resolution in the forest sector. Recognition of the importance of specific grievances mechanisms to manage conflicts within the forest sector in 2018.
2.3.2. Number of formally registered grievances linked to the VPA implementation	Consultation process reports FSOs interviews	No quantitative information available. Main topics: Land use and titling conflicts, Labour conditions and compliance with NIS and GRA, infrastructure issues, environmental concerns, boundaries disputes
2.3.3. % of resolved grievances linked to the VPA implementation	FSOs interviews	Minor grievances resolved by the GFC while major ones including environmental affectation, infrastructure bad state were not.
2.3.4. Average resolution timeline (in number of days) of grievances and disputes treated through the VPA complaint mechanism	FSOs interviews	No quantitative information available From a few days for minor issues to several years for major issues solved.

Key conclusions:

- **Institutional grievance resolution mechanisms existed in 2018 but informal resolution channels were more relied on:** Although multiple grievance mechanisms existed, FSOs relied heavily on informal mechanisms (forest stations and informal negotiations between parties), indicating gaps in awareness and accessibility of formal grievance procedures.
- **Complex, multi-sectoral issues remain unresolved:** Minor grievances (e.g., measurement disputes, boundary issues) were often resolved locally and relatively quickly. In contrast, major grievances, particularly cross-sectoral and environmental issues, were rarely resolved, sometimes taking years or remaining unresolved, highlighting limitations in cross-sectoral collaboration and enforcement.

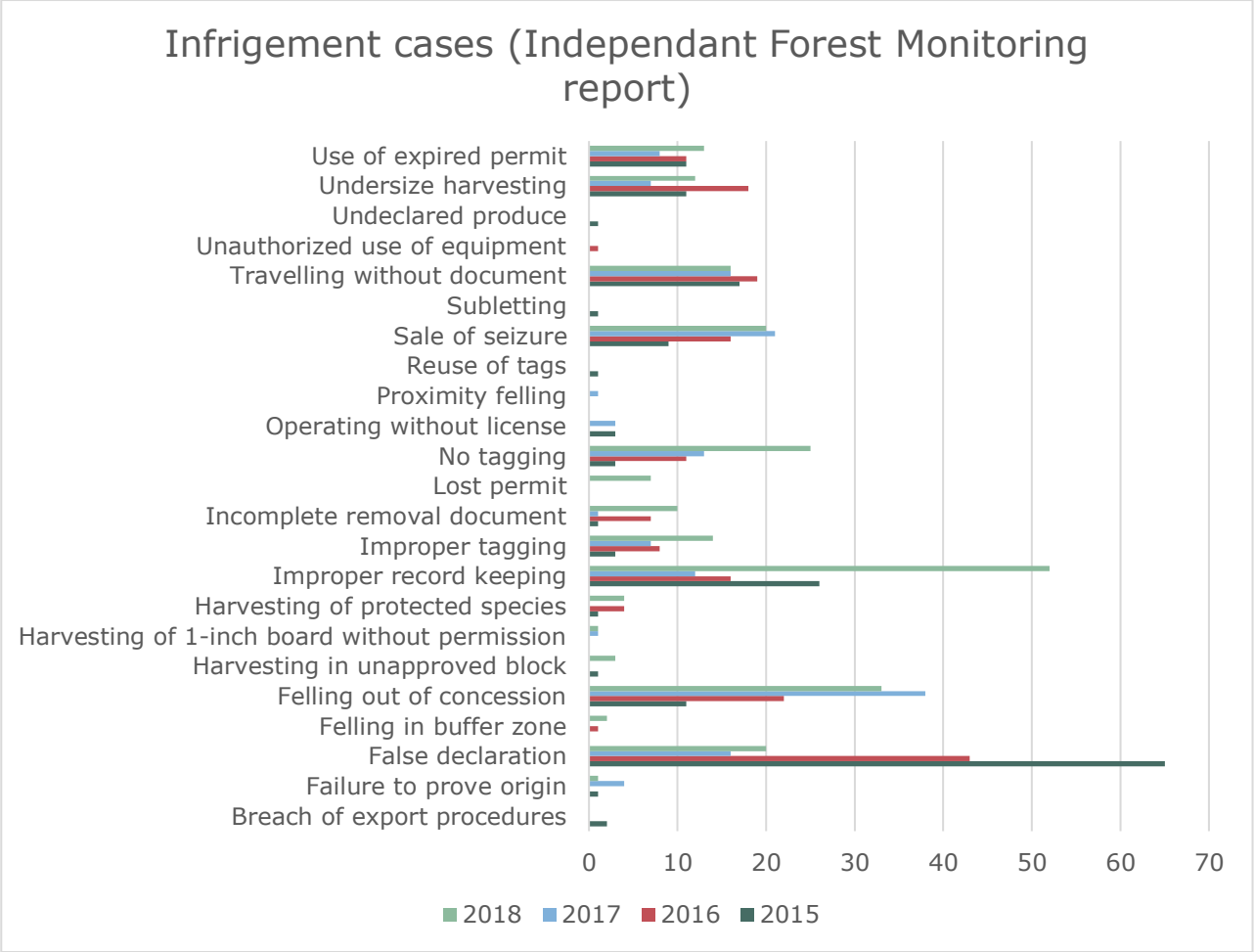
D.3.4. Sub-impact area 2.4. Rule of law

The rule of law is a key pillar for sustainable forest management, requiring alignment between economic activity and environmental and social obligations. In Guyana, the forestry sector is governed by a complex legal and institutional framework—including the Forests Act, the Amerindian Act, the Mining Act, and related land tenure regulations. Oversight responsibilities are shared between entities such as the GFC, the FKSC, and the GGMC. The VPA signed with the European Union has further defined legal expectations through its legality definition and matrix, which set criteria across areas such as land tenure, forest operations, environmental compliance, labor law, and fiscal obligations.

2.4.1. Number and % of compliant FSOs with legality definition principles and criterions

This indicator was assessed using infringement data extracted from Independent Forest Monitoring reports covering the 2014–2018 period. While the reports do not directly quantify the number or percentage of fully compliant FSOs, they provide detailed records of infractions observed during field inspections. These data allow for an indirect analysis of FSO compliance with key legality requirements, particularly those related to documentation, operational procedures, and traceability.

FIGURE 20. INFRIGEMENT CASES FROM 2014 TO 2018 (SOURCE: IFM)



Analysis of the IFM data revealed recurring types of non-compliance across all years, pointing to systemic challenges. Key observations include:

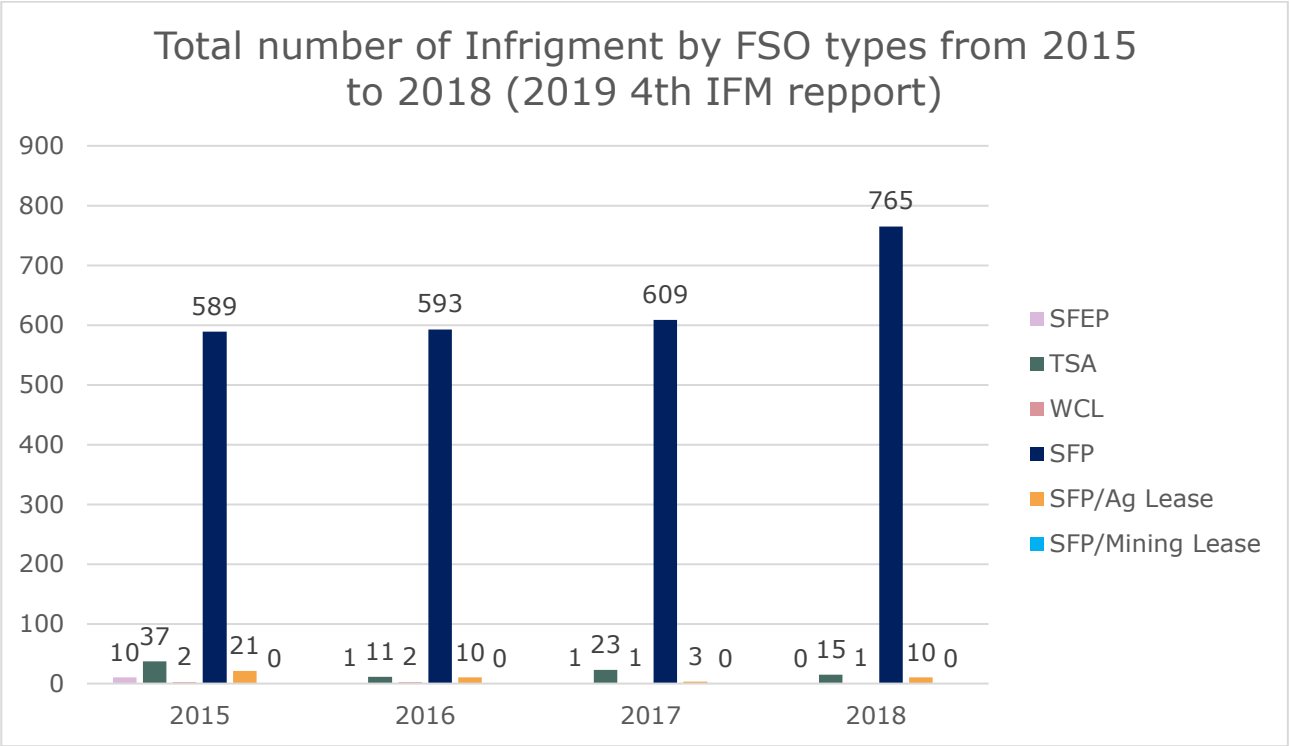
- **Late permit submission[40] and improper record keeping** was the most frequent infraction, highlighting persistent administrative weaknesses.
- **Felling out of concession** and **false declarations** were also prominent, especially in 2015 and 2016, suggesting ongoing problems with boundary compliance and document accuracy.
- Other frequent issues included **no tagging**, **sale of seizure**, **reuse of tags**, and **unauthorized harvesting**—all of which undermine traceability and legality assurance mechanisms.
- Less frequent but serious infractions—such as **operating without a license** or **use of expired permits**—reflect gaps in legal access compliance.

[40] This category of infringement exceeded 500 cases per year and was therefore excluded from the graph to allow for clearer visualization of the other infringement types, which each remained below 70 cases annually.

- The **spike in some infractions in 2018** may reflect increased inspection efforts, growing pressure on operators, or deteriorating administrative conditions.

These findings indicate that a significant share of FSOs have faced challenges complying fully with the VPA legality requirements.

FIGURE 21. TOTAL NUMBER OF INFRIGEMENT BY FSOS TYPES FROM 2015 TO 2018 (IFM)



SFPs (State Forest Permit) alone account for nearly all infractions, with totals rising from 589 in 2015 to 765 in 2018, indicating both a high incidence of non-compliance among this FSO category and an upward trend over the 4-year period. In contrast, all other FSO types—including TSA (Timber Sales Agreement), WCL (Wood Cutting Lease), SFEP (State Forest Exploratory Permit), and mixed-use titles like SFP/Ag Lease and SFP/Mining Lease—show very low infraction numbers, consistently below 40 and often in single digits.

Additional qualitative data from interviews with FSOs confirmed this pattern: **over 75% of operators interviewed reported having been cited for at least one infraction by the GFC prior to 2018**. The nature of these issues—ranging from improper tagging and harvesting without documentation to non-compliance with stamping or waste protocols—suggests widespread difficulties with core aspects of legality.

When disaggregated by FSO type, the results point to differentiated capacities and risks:

- **All small FSOs and Amerindian operators** interviewed reported at least one infraction. These groups often lack sufficient administrative support, legal awareness, or technical capacity, and face logistical barriers[41] in accessing compliance resources.
- **Medium FSOs** also showed high levels of partial non-compliance. While they generally had more structured operations, several still faced challenges related to documentation, permits, and traceability.
- **Large FSOs**, in contrast, reported no infractions during interviews. Their operations tend to be more formally structured, with dedicated compliance staff and better access to legal and administrative systems.

Labor compliance—another critical component of the legality definition—also reflects differentiated patterns. Small FSOs reported limited formal employment practices, difficulty accessing NIS services, and

[41] Difficulties in accessing and using GPS tools for instance.

complete absence of PPE use. Medium FSOs demonstrated some effort toward worker retention and NIS registration, although gaps in documentation and enforcement remained. Large FSOs presented the most structured approach, with formalized records, safety protocols, and NIS compliance.

Based on the analysis of infringement data from the Independent Forest Monitoring (IFM) reports (2014–2018) and qualitative findings from FSO interviews, it is estimated that **less than 25% of FSOs** were fully compliant with the legality definition principles and criteria at the time of the baseline. In summary, both the infringement records and FSO interviews point to **partial and uneven compliance** with the legality definition, **particularly among small and community-based operators**.

2.4.2. Number and % of inspected FSOs about legality definition principles and criterions

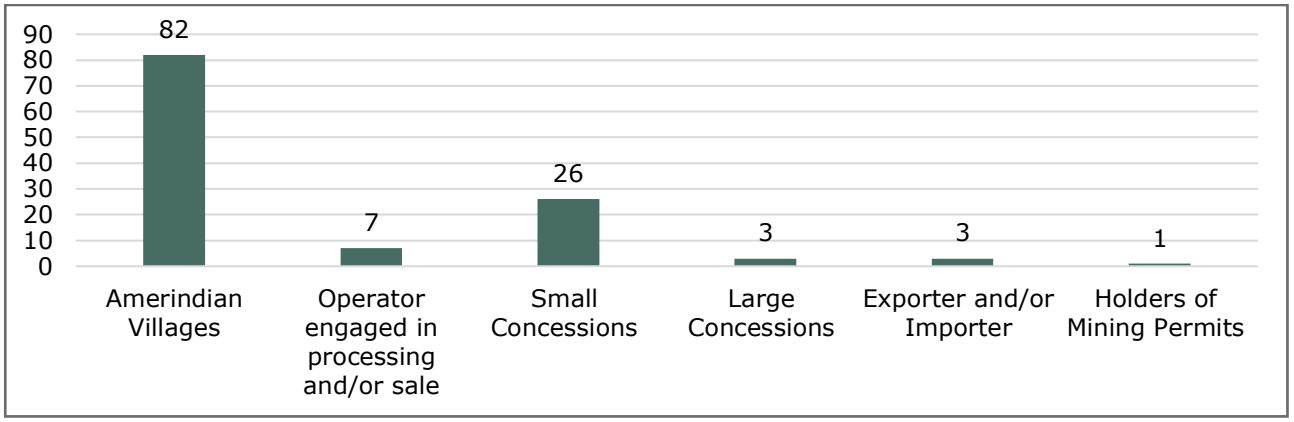
For this baseline, no publicly available data was found regarding the number or percentage of FSOs inspected specifically against the full scope of legality definition principles. However, during field visits, interviews with FSOs allowed us to gather information on the nature and focus of inspections. According to the VPA legality matrix, FSOs must comply with five key areas: land tenure and use rights, forest management, environmental obligations, labour obligations, and fiscal obligations. In practice, the infractions reported by FSOs in our sample primarily concerned forest management and traceability issues—such as tagging, GPS boundary compliance, and removal documentation. Environmental compliance inspections, when mentioned, were generally conducted by the EPA and are further detailed in Impact Area 3 of this report. By contrast, there was little to no reported oversight related to labour obligations (e.g., NIS registration, worker rights), fiscal compliance (e.g., GRA payments), or land tenure verification—despite their inclusion in the legality definition. Notably, OSH was cited in some GFC inspections of sawmills, where PPE use and safety protocols were occasionally monitored. However, this oversight did not extend to forest concessions, where no OSH inspections were reported. This discrepancy suggests uneven enforcement of legality criteria, with inspections focused on operational issues while neglecting critical legal obligations in other domains.

2.4.3. Number and % of trained FSOs about legality definition

Between 2012 and 2018, a series of VPA consultation sessions were conducted with FSOs across Guyana. While not formal training events, these sessions served as the primary mechanism through which FSOs were introduced to the VPA legality definition and its associated principles and criteria. During these sessions, participants engaged with the legality definition matrix, received explanatory guidance, and were encouraged to ask questions and provide feedback. Based on their content and structure, these events can be considered the main vector of awareness-raising and general capacity-building related to legality principles during the pre-VPA period.

For this baseline, no disaggregated data was available from the FTCI to identify training sessions specifically focused on legality definition topics, only summary statistics from GFC annual reports up to 2017 were made available. These reports provide useful metrics on training participation but do not specify whether legality definition content was covered. As a result, the only identifiable source that offers national coverage on FSO exposure to legality principles remains the record of VPA consultation sessions. These sessions therefore serve as the sole basis for estimating this indicator at baseline, acknowledging their limits in scope and depth compared to formal technical training.

FIGURE 22. NUMBER OF FSOS THAT PARTICIPATED TO INFORMATION, AWARENESS AND CONSULTATION SESSIONS THAT PRESENTED KEY INFORMATION ABOUT LEGALITY DEFINTIION FROM 2012 TO 2018



Amerindian villages show the highest level of coverage, with 82 out of 115 villages reached (71%), reflecting strong engagement with community-based actors. In contrast, only 26 out of 486 small concession holders participated (5%), indicating limited outreach to this group despite their large number. Large concessions show a higher relative coverage, with 3 out of 21 operators reached (14%), although the absolute number remains low. Overall, these figures highlight an uneven distribution of outreach efforts, with a strong focus on Amerindian communities and more limited penetration among small-scale operators.

It was not possible to estimate similar shares for operators engaged in processing and/or sale, importers/exporters, and holders of mining permits, as available data are based on the number of licences rather than distinct operators, and a single company may hold multiple permits, preventing a reliable calculation of coverage rates.

2.4.4. Description of the FSOs perceptions on the legality matrix compliance.

The detailed matrices produced during the stakeholder consultation process provide an overview of FSOs' perceptions of the VPA legality definition. Although these matrices do not always specify the type of FSO associated with each concern, the qualitative data collected during our regional interviews and focus group discussions reinforce the relevance and persistence of mentioned concerns (back in 2018 and for several still relevant today). The main concerns raised in 2018 by FSOs include:

- **Labour and employment regulations**: Minimum working age requirements may conflict with traditional practices in Amerindian communities. Difficulty affording NIS registration and Labour compliance costs, particularly for small-scale operators.
- **Costs and feasibility of compliance**: High cost of acquiring safety equipment to meet OSH standards. Imported safety gear often unsuitable for local climatic and working conditions. Limited access to training funds and technical support to comply with OSH and other legal requirements.
- **Financial and technical support**: Strong demand for more accessible funding mechanisms to support legal compliance. Need for increased support in training and institutional guidance, especially for small and community-based operators.
- **Land tenure and titling**: Uncertainties about whether unresolved land titling issues would affect eligibility for a FLEGT license or overall compliance status.
- **FLEGT license benefits and clarity**: Lack of understanding about which timber species and products are eligible under the FLEGT scheme. Unclear tangible benefits of VPA compliance for different types of operators.

Overall, the perception of the VPA legality definition and its compliance process among FSOs remains cautious. While they have not rejected the VPA, many operators—especially smaller ones—feel underprepared and inadequately supported to meet the full set of requirements.

TABLE 15. INDICATORS 2.4. RULE OF LAW

Indicators	Data source(s)	Baseline value (2018)
2.4.1. Number and % of compliant FSOs with legality definition principles and criterions *By types of FSOs and thematic areas (legal, forestry, fiscal obligations, environment etc.)*	FSOs interviews	Large FSOs: generally compliant Medium FSOs: high level of incompliance Small FSOs: Frequently incompliant Approx. 25% of FSOs were fully compliant with current forest regulations before 2018
2.4.2. Number and % of inspected FSOs about legality definition principles and criterions *By forest stations and thematic areas (legal, forestry, fiscal obligations, environment etc.)*	FSOs interviews	100% of FSOs inspected about: Forest management, Environmental aspects, OSH for sawmills No inspection reported about: Land tenure and use rights, labour and fiscal obligation, OSH for concessions
2.4.3. Number and % of trained FSOs about legality definition *By types of FSOs and thematic areas (legal, forestry, fiscal obligations, environment etc.)*	FLEGT VPA reports on stakeholders consultation sessions (available online)	Amerindian villages: 82 Operator engaged in processing or sale: 7 Small concessions: 26 Large concessions: 3 Exporter and/or Importer: 3 Holder of mining permit: 1 (Guyana Gold and Diamond Miners Association)
2.4.4. Description of the FSOs perceptions[42] on the legality matrix compliance. *By types of FSOs*	FLEGT VPA reports on stakeholders consultation sessions (available online)	Cautious engagement rather than strong support linked to uncertainty about VPA implementation feasibility and benefits.

Key conclusions:

- **Widespread non-compliance among FSOs even if small and Amerindian FSOs faced more challenges:** 75% of total interviewed FSOs reported infractions before 2018. 100% of Small FSOs and Amerindian Operators interviewed reported infractions. These groups face structural barriers: lack of resources, limited institutional support, and complex regulations. Infractions included tagging errors, boundary violations, logging conducted with incomplete, expired, or incorrect operational documentation (such as removal permits, or transport documents), and poor waste or stamping practices. Medium FSOs also showed a high rate of infractions, while Large FSOs showed better compliance, with none reporting infractions. Small operators faced multiple barriers to formalizing Labour, including access to NIS offices and a lack of administrative capacity or documentation. In contrast, Medium FSOs show partial compliance (e.g. some keeping NIS books, compensating injured workers), and *Large FSOs* demonstrated clear and organized Labour documentation. Use of PPE followed the same gradient: widely absent in small concessions, inconsistently applied in medium ones, and formally required (but not always enforced) in large ones.
- **Inspections were narrow in scope:** All interviewed FSOs had been inspected by the GFC and some by the EPA, but inspections largely focused on *forest management*, *traceability, and*

[42] This indicator aims to measure the ownership of the FLEGT VPA by FSOs, it won't give a reliable value to capture the actual difficulty that FSOs encounter with Legality Matrix compliance.

environmental management, not on other key legality areas like *labour*, *fiscal*, or *tenure* compliance. OSH checks were mentioned in sawmills but not in concessions.

- **Cautious engagement rather than strong support from FSOs:** Feedback from both the 2012–2018 sessions and the recent field interviews confirms that FSOs—especially smaller ones—view compliance as costly, complex, and inadequately supported. Key concerns included Labour law compliance, OSH costs, unresolved land issues, and unclear benefits from VPA engagement. Despite not rejecting the VPA, many operators appear hesitant, signalling a need for clearer guidance, financial assistance, and long-term capacity-building.

D.4. Impact area 3: Sustainable management and protection of forest and ecosystems

D.4.1. Sub-impact area 3.1. Sustainable management of forests

3.1.1. Volume of seized and forfeited timber and forest products

Under *Guyana's Forests Act* (2009), seizure is the initial confiscation of suspected illegal timber and related items, custody is the temporary state control of those items pending legal resolution, and forfeiture is the final transfer of ownership to the State, typically through court order or after an unclaimed period—each stage governed by specific legal procedures.

National legislation—including the *Forests Act* (2009) and *Forest Regulations* (2018)—mandates the maintenance of seizure registers and reporting on forest infractions (VPA Annex IX also mentions specifically forfeited timber volume as a topic to be disclosed). For the purposes of the baseline study, it was not possible to access those databases including national volume of seized or forfeited timber and forest products in Guyana. Available sources, such as government statements or media articles (e.g., the BaiShanLin case), occasionally mention concession repossessions or planned auctions but do not provide specific figures on timber volumes. This limits the possibility of establishing a clear reference point for future comparisons under the VPA framework. The 2022 CIFOR–ADE VPA impact study similarly noted that, while enforcement practices appear to have improved, access to reliable data on sanctions and seizures remains limited (Leszczynska, y otros, 2022). Enhancing transparency in this area would be an important step toward more robust monitoring of legality and law enforcement outcomes under the VPA and the possibility of monitoring this indicator will be a clear signal of transparency enhancement.

3.1.2. Number and % of FSOs with reported breaches related to sustainable management of forest

Under the *Forest Act (2009)* and the *Code of Practice for Forest Operations (2018)*, Sustainable Forest Management obligations include: the development and implementation of forest management plans for large concessions, adherence to reduced impact logging (RIL) techniques, protection of buffer zones (particularly around watercourses), proper use and maintenance of skid trails and forest roads, and full compliance with harvesting quotas and species restrictions. Breaches of these obligations may involve overharvesting, harvesting outside approved blocks, failure to observe buffer zones, inadequate environmental safeguards, or non-compliance with post-harvest requirements such as reforestation or demarcation.

During the baseline's field survey, a significant proportion of FSOs self-reported infractions tied to SFM requirements. The most frequently mentioned violations were:

- Felling outside concession boundaries;
- Improper or missing tree tagging;
- Harvesting within buffer zones, particularly along creeks and rivers.

These findings indicate challenges in day-to-day compliance, especially among small-scale and community-based operators. In one notable case, an Amerindian operator reported instances of clear-cutting within its own concession boundaries.

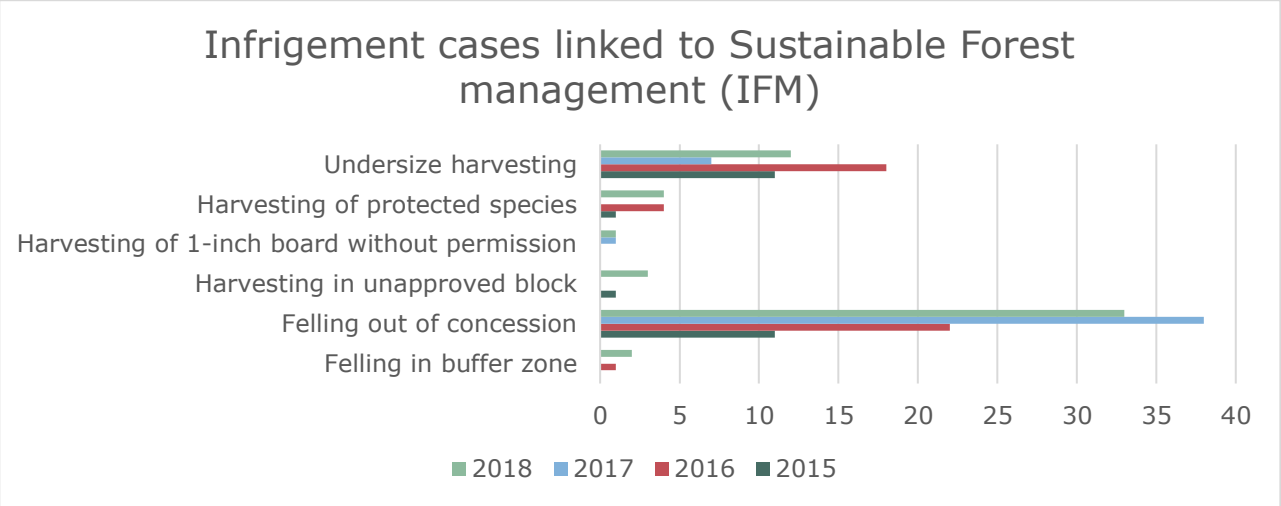
Further evidence was provided by the Forest Resources Management Division, which shared internal data on Annual Allowable Cut (AAC) exceedances. This is a critical indicator of sustainability, as it reflects the operator's ability to harvest within ecological limits. According to the FRMD, among 483 small concessions assessed in 2018, **31 (6.4%)** exceeded their AAC, resulting in a cumulative overharvest of **10,854 m³** of

timber. In contrast, large concessions were often well below their AAC ceilings—suggesting either underutilization and/or conservative planning. This quantitative insight supports the qualitative field findings: **smaller operators are more vulnerable to SFM breaches**, likely due to capacity constraints, weaker monitoring, or lack of technical support.

Independent Forest Monitoring reports from 2015 to 2018 further corroborate the presence of SFM-related breaches in the sector. As illustrated in Figure below, several types of infractions directly tied to SFM principles were consistently documented:

- **Felling out of concession boundaries** was the most frequent infraction, with over **35 cases in 2017** and approximately **30 cases** in both 2016 and 2018.
- **Harvesting in buffer zones** and **harvesting in unapproved blocks** appeared regularly, indicating persistent difficulties in spatial compliance.
- **Undersize harvesting** and **harvesting of protected species** were more prominent in 2016 and 2018.
- **Harvesting of 1-inch boards without permission** was less frequent but highlights issues of adherence to technical specifications.

FIGURE 23. INFRINGEMENT CASES LINKED TO SUSTAINABLE FOREST MANAGEMENT (SOURCE: IFM)



When triangulated, data from field interviews, FRMD's AAC dataset, and IFM reports provide a consistent picture of partial and uneven compliance with SFM requirements. While exact national percentages remain unavailable due to the absence of disaggregated inspection data, the baseline findings confirm that **at least 6–10%**[43] of FSOs have experienced documented SFM breaches during the baseline period.

3.1.3. Volume of annual production from logging activities compared to annual total allowable cut volume

The AAC is a fundamental metric for sustainable forest management, designed to ensure that timber extraction remains within ecologically sustainable limits. This measure applies specifically to large and small concessions. Based on the 2018 GFC Guidelines, the allowable harvest volume per hectare varies by cutting cycle—ranging from 8.33 m³/ha for a 25-year cycle to 20 m³/ha for a 60-year cycle. The calculation of the Available Productive Forest Area (APFA) begins with the total concession area, from which 4.5% is deducted for biodiversity protection zones, and a further 20% reduction is applied to determine the Net Productive Forest Area. The AAC is then derived by applying the maximum volume per hectare to this net area (GFC, 2018). It is important to note that Amerindian lands and private lands are not subject to AAC quotas, and thus fall outside the scope of this indicator.

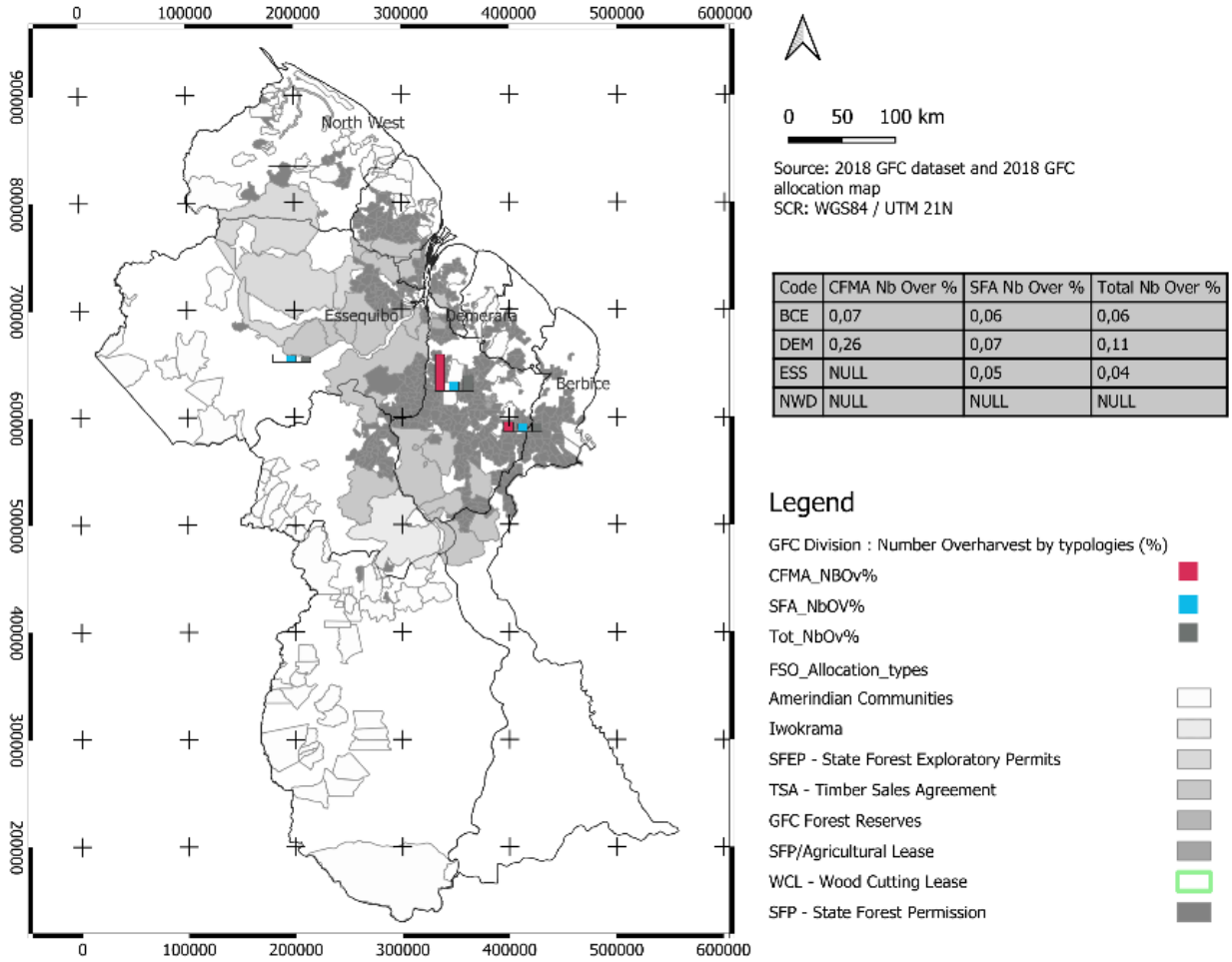
[43] Estimate based on FRMD data showing 6.4% AAC exceedance among small concessions in 2018, triangulated with SFM-related infractions reported in Independent Forest Monitoring (2015–2018) and qualitative evidence from field interviews. The proposed 6–10% range accounts for likely underreporting and gaps in national monitoring systems.

Our AAC calculations for selected concessions were validated by the FRMD. Furthermore, the FRMD provided us with their 2018 internal report on overharvesting by small concessions, which enabled us to analyse this specific breach of sustainable harvesting rules in more detail. In 2018, Guyana's total log production was 293,084 m³, with additional outputs in lumber (44,607 m³), roundwood (23,899 m³), plywood (14,571 m³), and splitwood (45.1 m³) (GFC, 2018). These figures suggest that overall national production remained well below the maximum allowable cut for large concessions (773.573 m^3). However, disaggregated analysis reveals more localized issues. Specifically, we were able to analyse small concessions separately by type—SFAs and CFMAs—as well as by regional divisions used by the GFC, which are presented in the maps below. This finer-grained approach allows us to better understand where and how pressure on forest resources is occurring, and which categories of operators may be more vulnerable to non-compliance such as overharvesting.

TABLE 16. ESTIMATIONS OF TOTAL ALLOWABLE CUT VOLUME BY ACTOR (SOURCE: CONSULTING TEAM CALCULATIONS)

Types of License	Methodologies	2018 Maximum total allowable cut volume (m3)
Large concession	(GFC Large Concession areas - conservation area (4.5%) - Available Productive Forest Area to reach the Net Productive Forest Area (20%))* maximum 20m3 by hectare cutting per cutting cycle of 60years	773 573 m3
Small Concession	Documentation sent by FRMD	1 003 530 m3
	TOTAL	1 777 103 m3

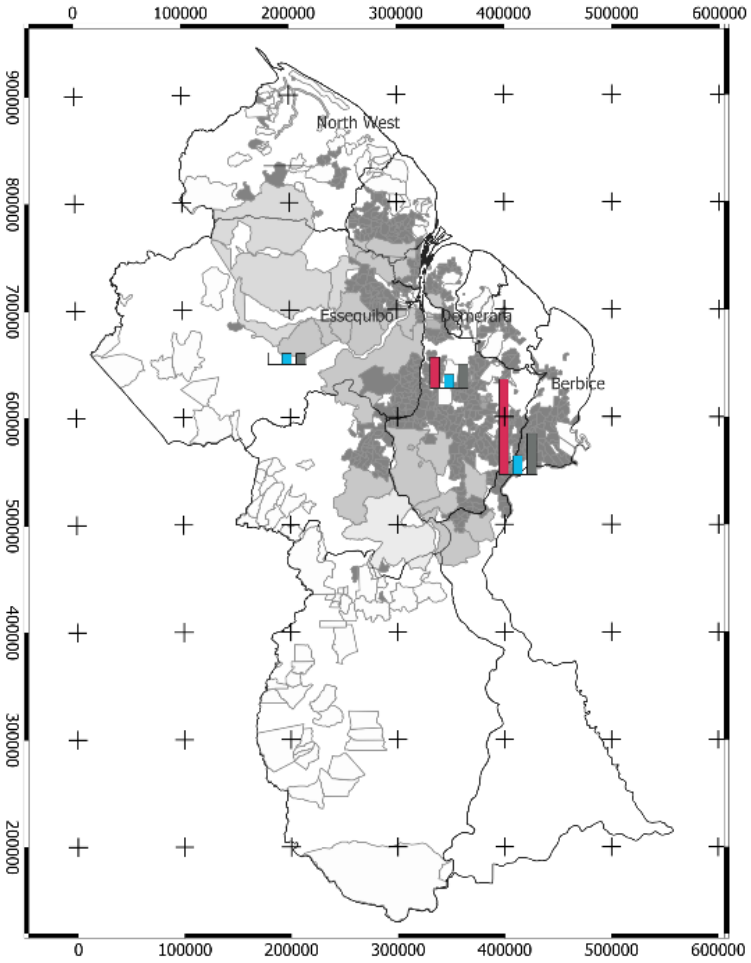
FIGURE 24. SHARE OF SMALL CONCESSIONS OVERHARVESTING (%) BY REGIONAL DIVISION



Code	CFMA Nb Over %	SFA Nb Over %	Total Nb Over %
BCE	0,07	0,06	0,06
DEM	0,26	0,07	0,11
ESS	NULL	0,05	0,04
NWD	NULL	NULL	NULL

In the Demerara division (DEM), 26% of CFMA operators exceeded their AAC, compared to 7% of SFAs, leading to a combined overharvesting rate of 11%. This indicates a higher frequency of breaches among community-managed concessions in this area. In Berbice (BCE), CFMA and SFA operators overharvested at similar but moderate rates (7% and 6%, respectively), with a total rate of 6%. Essequibo (ESS) shows a total rate of 4%, with no CFMA data reported, and 5% of SFAs exceeding the AAC.

FIGURE 25. SPATIAL ANALYSIS OF OVERHARVESTING VOLUMES BY SMALL CONCESSIONS



Code	CFMA % Over m3	SFA % Over m3	TOTAL % Over m3
BCE	0,67	0,13	0,29
DEM	0,22	0,1	0,17
ESS		0,08	0,08
NWD			

When measured by overharvested volume, the pattern changes significantly. In Berbice (BCE), although only 7% of CFMA operators overharvested, they were responsible for 67% of the total excess volume, suggesting that fewer but more intensive violations occurred among CFMAs. In Demerara (DEM), the overharvested volume was more evenly distributed: 22% of excess volume came from CFMAs and 10% from SFAs, totalling 17%. Essequibo (ESS) recorded the lowest overharvested volume at 8%, with only SFAs contributing.

Together, these maps demonstrate that:

- CFMAs were more likely to breach AAC limits, particularly in Demerara, while SFAs were more consistent but not immune to overharvesting.
- Volume-based overharvesting was concentrated among a smaller number of CFMA operators, particularly in Berbice, where a few cases were responsible for disproportionately high impacts.
- These discrepancies highlight two important dynamics: frequency vs. intensity of non-compliance.
- Regional disparities also suggest that localized capacity, oversight, and support structures play a major role in compliance**.**

3.1.4. Area and % of conservation areas of Large Concessions remaining intact

According to the 2018 *GFC guidelines*, conservation areas are designated within large forest concessions to preserve critical habitats and ecological functions. These zones represent 4.5% of the total Productive

Forest[44], where logging and other extractive activities are restricted. Assessing whether these areas have remained intact is crucial to evaluating the effectiveness of sustainable forest management practices and verifying compliance with environmental protection standards. However, despite the formal requirement for such areas, none of the large concession holders interviewed during focus groups reported having internal monitoring systems in place to track the condition of their conservation zones. Moreover, they indicated that the GFC did not actively monitor these areas either (nor on the ground or remotely with satellite imagery).

Our review of Forest Management Plans for large concessions revealed that they referenced a conservation area map in an annex, but this annex was not made available to us. While our initial aim was to transcribe these boundaries and overlay them with satellite imagery for remote monitoring, we could not access the information necessary, preventing spatial analysis. In one Forest Management Plan of a large concession, comments from the GFC indicate that the LC was requested to include a conservation area, demonstrating that the regulation requiring the establishment of such zones is being followed during the approval process. In addition, the possibility to relocate conservation areas in the event of degradation was mentioned during focus groups and confirmed in one of the Annual Operation Plan received.

As a result, the only available option for this indicator at this stage is to **estimate conservation areas for each large concession** by applying the 4.5% ratio from the 2018 national regulations to the estimated forest productive area of each concession. The real Forest productive area could be further calculated considering the aggregation of all Forest Management Plan dataset. In the available FMP documents, the proportion of forest productive area varies from 2% to 27% with a mean of 11%. The Iwokrama concession dedicates 50% of its total area to a biodiversity reserve for wildlife conservation, and unlike other large concessions, it conducts its own ecological research and monitoring within this zone[45]. These estimates are presented in the table below.

TABLE 17. ESTIMATION OF CONSERVATION AREAS IN 2018 (CONSULTING TEAM CALCULATION BASED ON FSIR FROM 2018 AND NATIONAL REGULATIONS ORIENTATIONS)

Type of Large Concessions	2018 total concession size (GFC report) -ha	2018 estimated productive Forest Area (11% mean)	Estimation of conservation areas -ha	% of conservation area on the total concession surface area
SFEP	1 009 687	898 621	40 438	4.5%
TSA	1 656 294	1 474 102	66 335	4.5%
Iwokrama	371 610	N/A	185 805	50%
Total	3 037 591	N/A	292 578	9.6%

[44] Productive forest is calculated considering the Total concession size minus the Non-productive areas. The non-productive areas are determined based on the vegetation types found within the management area. The GFC considers the following vegetation types: Liana Forest, Mixed forest on hills, swamp, etc.

[45] Information given by the FRMD.

TABLE 18. INDICATORS 3.1. SUSTAINABLE MANAGEMENT OF FORESTS

Indicators	Data source(s)	Baseline value (2018)
3.1.1. Volume of seized and forfeited timber and forest products	No information was shared with Tero Press release, timber auction announcement	No quantitative information available
3.1.2. Number and % of FSOs with reported breaches related to sustainable management of forest *By types of FSOs*	Independent Forest Monitoring report FRMD report of overharvesting for SFA and CFMA FSOs interviews	Approx. 6–10% of FSOs breached sustainable forest management requirements before 2018, primarily due to AAC exceedance, boundary violations, and improper harvesting practices, with small concessions showing the highest rates of non-compliance.
3.1.3. Volume of annual production from logging activities compared to annual total allowable cut volume *By category of forest concessions*	Estimation based on allocation map from 2018 and GFC Guidelines (2018) for Large Concessions and FRMD report of overharvesting in small concessions	National log production in 2018: 293,084m³ Total allowable cut volume (Large concessions only) in 2018: 1 777 103 m³ Overharvesting: 6,4% of small concessions in 2018 overharvested CFMAs accounted for at least 89% of total overharvested volume (67% in BCE and 22% in DEM), indicating that a small number of CFMA concessions were responsible for a disproportionate share of the national excess volume. SFAs contributed 10%–13% of the overharvested volume in DEM and BCE respectively, and the entire overharvested volume in ESS (8%).
3.1.4. Area and % of conservation areas of Large Concessions remaining intact	Estimation of conservation areas based on GFC and EYTI reports Information about exact locations of those conservation areas in forest management plans (pending to collect)	292.578 ha of conservation areas at national level (9,6% of total area under large concessions and Iwokrama) No information about the fact that they remained intact.

Key conclusions:

- **Documented SFM Breaches**. An estimated 6–10% of FSOs breached SFM obligations during the baseline period, as evidenced by field interviews, data shared by FRMD, and Independent Forest Monitoring reports. Breaches commonly included boundary violations, improper tagging, harvesting in buffer zones, and overharvesting—especially among small and community-based operators.
- **National Production Below AAC but Localized Overharvesting**, especially among CFMAs in Demerara (26% breached AAC) and high-volume breaches in Berbice (67% of overharvested volume from CFMAs). Total reported production (logs and processed wood) remained below national AAC thresholds, suggesting ecological sustainability at national scale. This confirms that smaller operators, particularly community-managed ones, face higher compliance challenges.
- **Conservation Area Monitoring Remains Theoretical**. Although the 4.5% conservation area rule for large concessions is normally considered in planning documents, there is currently no systematic monitoring—either by the GFC or concession holders—of whether these zones remain intact.

D.4.2. Sub-impact area 3.2. Forest cover changes and GHG emissions

In the context of the MRVS report, deforestation is defined as the long-term or permanent conversion of land from forest use to other non-forest uses. Specifically, forest areas in Guyana are considered deforested when the tree cover falls and remains below the elected crown cover threshold of 30%, with a minimum tree height of 5 meters and over a minimum area of 1 hectare (Guyana Forestry Commission, 2023; UNFCCC, 2001). Within forest activities the only item considered in the MRVS as responsible for deforestation is infrastructure construction (camps and main roads leading to concessions). Forest degradation, on the other hand, refers to the reduction in the quality or health of a forest, often due to human activities such as selective logging, illegal logging, or infrastructure development. In Guyana, forest degradation is measured by the loss of forest area due to activities like timber harvesting, illegal logging, and the creation of skid trails. Degradation is quantified using specific emission factors and buffer zones around deforested areas, ensuring accurate tracking of carbon losses (Guyana Forestry Commission, 2023). Carbon emissions in the MRVS report refer to the release of carbon dioxide (CO_2) into the atmosphere as a result of deforestation and forest degradation activities. These emissions are calculated using emission factors tailored to different drivers of deforestation and degradation, such as mining, agriculture, and infrastructure development. This approach allows for precise estimation of the carbon impact of various land-use changes (Guyana Forestry Commission, 2023). Finally, SFM refers to the practice of managing forest resources in a way that maintains their biodiversity, productivity, and ecological processes while ensuring that the needs of present and future generations are met. In Guyana, areas under SFM are monitored to ensure they adhere to the *forest code of practice* and maintain the elected crown cover threshold, contributing to the country's low deforestation rates and sustainable development goals (Guyana Forestry Commission, 2023).

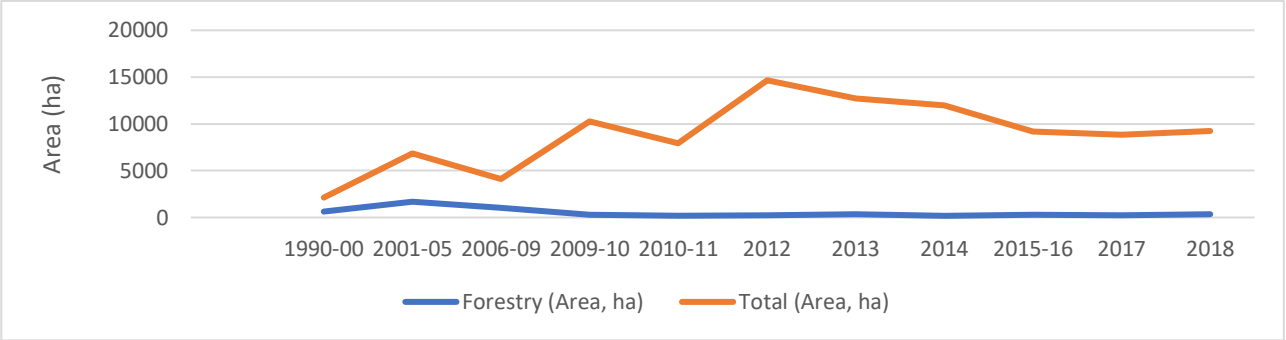
3.2.1 Deforestation area caused by forestry infrastructure construction

The main activities related to forest infrastructure construction include road and log market construction. The MRVS data reveals a significant decline in deforestation caused by forestry activities in Guyana before 2018, reflecting positive developments in forest management and policy enforcement (see figure below). In the 1990s, forestry-related deforestation accounted for 609 hectares over 10 years, representing 28.6% of total deforestation during that period. However, by the early 2000s, this figure spiked to 1,684 hectares over 5 years (2001-2005), likely due to increased logging or infrastructure development. Despite this increase, forestry's proportional contribution to total deforestation remained relatively stable at 24.6%. From 2006 onwards, forestry-related deforestation began to decline, with 1,007 hectares over 4.8 years (2006-2009) and a sharp drop to 294 hectares in a single year (2009-2010), accounting for just 2.9% of total deforestation. This reduction suggests a possible shift in deforestation drivers, with other sectors like agriculture or mining becoming more dominant, and the implementation of stricter forestry regulations.

In the most recent decade (2010-2018), forestry-related deforestation has remained relatively low, ranging between 186 hectares (2010-2011) and 356 hectares (2018) annually. During this period, forestry consistently accounted for a small proportion of total national deforestation, averaging around 2-4% of annual deforestation. For example, in 2010-2011, forestry was responsible for just 2.3% of total national deforestation, and by 2018, this figure rose slightly to 3.9%. This stability indicates that forestry activities have reached a more sustainable level, likely due to the success of Guyana's REDD+ initiatives, improved forest management practices, and stronger regulatory frameworks.

However, while forestry-related deforestation has decreased, total deforestation has fluctuated significantly, reaching peaks such as 14,655 hectares in 2012 and 12,733 hectares in 2013. This highlights that other drivers, such as mining, agriculture, or infrastructure development, are the primary causes of forest loss in Guyana.

FIGURE 26. DEFORESTATION AREA CAUSED BY FORESTRY COMPARED TO TOTAL DEFORESTED AREA IN GUYANA FROM 1990 TO 2018 (IE. INFRASTRUCTURE CONSTRUCTION) (SOURCE: MRVS REPORTS)



3.2.2 Carbon emissions due to forest degradation and deforestation driven by forestry activities

The MRVS data offers a comprehensive view of CO_2 emissions from forestry-related activities, categorized into Forestry[46] (forest clearance), Timber Harvesting (legal logging), and Illegal Logging. Each category exhibits distinct trends and implications for carbon emissions. Activities linked to timber harvest and trade, which include road construction and log market development, show significant fluctuations over the years. Emissions peaked in 2018 (371,931 t CO_2) and September 2009- September 2010 (307,259 t CO_2), while dropping to their lowest in 2017 (237,237 t CO_2). These variations likely reflect changes in the intensity of forest clearance activities, influenced by logging demand, and market development during this period as presented previously.

Timber harvesting, representing legal logging, is the largest contributor to CO_2 emissions in the forest sector activities, with values consistently in the millions of tonnes per hectare. Emissions peaked in 2014 (3,366,326 t CO_2) and 2010-2011 (3,685,376 t CO_2), indicating periods of intense logging activity. However, emissions declined in 2018 (1,830,856 t CO_2) and 2017 (1,740,242 t CO_2), suggesting potential improvements in sustainable logging practices, stricter regulations, or reduced logging activity.

Illegal logging emissions[47], while much lower than those from timber harvesting, show significant variability. A notable spike occurred in 2009-2010 (411,856 t CO_2) due to the use of the default factor. In contrast, emissions in 2018 (10,682 t CO_2) and 2015-2016 (9,140 t CO_2) were significantly lower, reflecting improved monitoring and enforcement efforts. The estimation of illegal logging emissions relies on a default factor of 15% of legally harvested volumes in the absence of hard data. This factor can be adjusted based on documentation from Independent Forest Monitoring and other sources. For example, in historic reporting, the default factor resulted in an estimate of 411,856 t CO_2 for illegal logging, including collateral damage from logging activities. In more recent reporting, such as for 2018, emissions were estimated at 401,174 t CO_2, based on a more robust database and routine internal audits, indicating a slight decrease compared to historic levels.

[46] The carbon emissions values presented here were primarily sourced from the MRVS reports. However, it is important to note that only the value for the year 2018 was directly calculated in the MRVS report. The values for the years 2009 to 2017 were calculated by our team of experts using the same methodology and emission factor as the MRVS report. Specifically, the MRVS 2018 report utilized an emission factor of 1045.1 t CO_2/ha, which was also applied by our team to ensure consistency and accuracy in calculating the emissions for the other years. This approach allows for a coherent comparison of emissions data across the specified time period.

[47] Monitoring and estimation of illegal logging are conducted through a combination of field monitoring, satellite imagery, and a custom-designed database updated monthly by the Guyana Forestry Commission (GFC). Illegal logging activities are recorded, verified, and audited at several levels, with data summarized in a database that provides a total volume of illegal logging for any defined period. This system has improved over time, leading to more accurate and reliable estimates of illegal logging emissions.

FIGURE 27. CARBON EMISSIONS DUE TO FOREST DEGRADATION AND DEFORESTATION DRIVEN BY FORESTRY ACTIVITIES

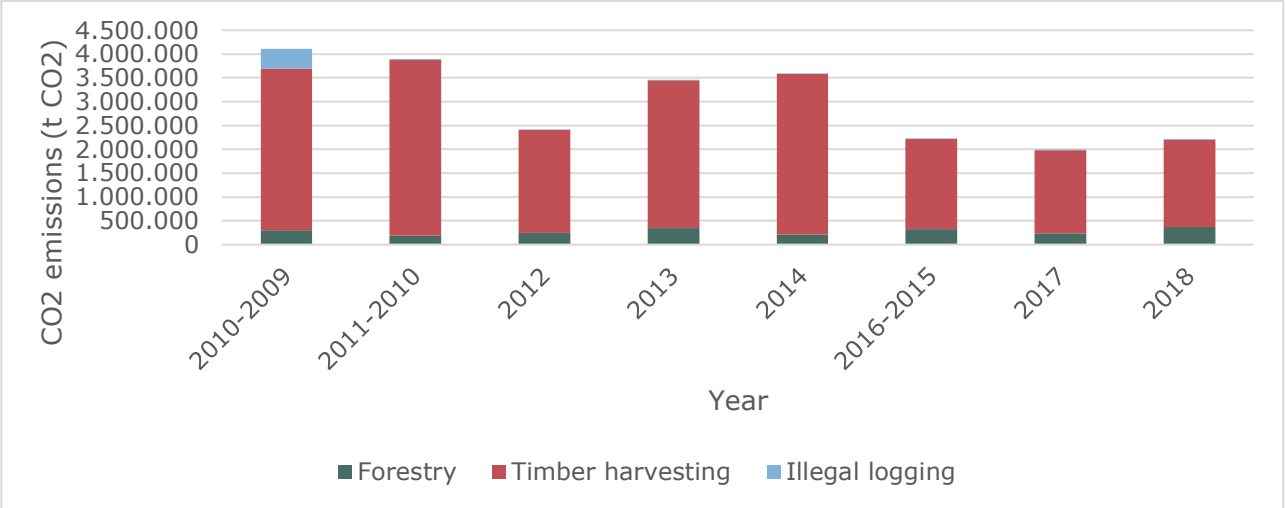


TABLE 19. INDICATORS 3.2. FOREST COVER CHANGES AND GHG EMISSIONS

Indicators	Data source(s)	Baseline value (2018)
3.2.1. Deforestation area caused by Forestry Infrastructure construction	MRVS reports (years 1-8)	356 ha in 2018
3.2.2. Carbon emissions due to forest degradation and deforestation driven by forestry activities	MRVS reports (years 1-8)	Forestry: 371.931 t CO2 Timber harvesting: 1.830.856 t CO2 Illegal logging: 10.682 t CO2

Key conclusions

- **Decline in Forestry-Related Deforestation**: Forestry's contribution to total deforestation in Guyana dropped significantly, from 28.6% in the 1990s to 2-4% of annual deforestation in recent years (2010-2018), reflecting improved forest management and policy enforcement.
- **Shift in Deforestation Drivers**: While forestry-related deforestation has decreased, total deforestation remains high due to other sectors like agriculture, mining, and infrastructure development.
- **Legal logging (timber harvesting) is the largest source of CO_2 emissions**, peaking in 2010-2011 but showing declines in years before 2018.

D.4.3. Sub-impact area 3.3. Environment, biodiversity and ecosystems

3.3.1. Number and types of alerts and complaints about pollution on land, water, noise, and air originated by FSOs

While no national or centralized database of environmental complaints linked to forest sector activities was made accessible, field evidence and complementary sources provide a useful overview of the scale and nature of pollution-related concerns reported prior to 2018. Interviews with EPA representatives confirmed that complaints involving FSOs—though relatively few—were consistently linked to sawmills and lumberyards. These complaints primarily involved noise, dust, and vibrations affecting nearby communities. **Two cases in 2018** were flagged as unresolved, reflecting the **complexity of enforcement** and follow-up in the sector. Notably, no FSO has been judicially prosecuted to date for environmental non-compliance.

During consultations and interviews, various pollution concerns linked to forest operations were reported. Two cases were formally documented during the VPA negotiation process: one in Chiliber (Yamparo village), where residents requested EPA intervention for a pollution issue, and another in Katoonarib, where the Village Council raised concerns about forest burning by agricultural leaseholders. In both cases, the EPA or

the GFC committed to further follow-up. Additional complaints were mentioned during baseline fieldwork in Amerindian villages, including clear-cutting within community forest areas and suspected river pollution attributed to nearby sawmilling and mining operations.

Among the FSOs interviewed for the baseline, 18% (3 out of 17) reported having received at least one environmental complaint. These included cases of improper waste disposal, dust pollution affecting villages, fire hazards, and non-compliant temporary installations. All types of FSOs were concerned, though **larger and more mechanized operators appeared more frequently associated with pollution-related impacts**.

Although the overall number of documented complaints remains low, this could reflect either limited pollution from FSOs or an underreporting trend—particularly in remote areas where monitoring systems are weak and communities have limited access to formal complaint mechanisms. The current baseline confirms that environmental impacts from FSOs are a localized but recurring concern.

TABLE 20. INDICATORS 3.3. ENVIRONMENT, BIODIVERSITY AND ECOSYSTEMS

Indicators	Data source(s)	Baseline value (2018)
3.3.1. Number and types of alerts and complaints about pollution on land, water, noise, and air originated by FSOs	No formal secondary data available Reports of VPA negotiation consultation process with VPA stakeholders FSOs interviews EPA interview	2 formal environmental complaints registered at the EPA in 2018. Main types of complaints received by the EPA before 2018: sawmill or lumberyard-related noise, vibration, and dust pollution

Key conclusions:

- **The low number of formal complaints does not necessarily reflect a low level of environmental impact** but may instead indicate limited access by communities to formal complaint channels, and possible reluctance to report. Many environmental concerns are raised informally or internally, especially in Amerindian communities, and may not reach formal complaint systems.
- **Larger and more mechanized FSOs are more prone to cause environmental complaints** due to heavier machinery and more intensive operations.

D.5. Impact area 4: International cooperation, trade, and investment

D.5.1. Sub-impact area 4.1. FSOs economic development

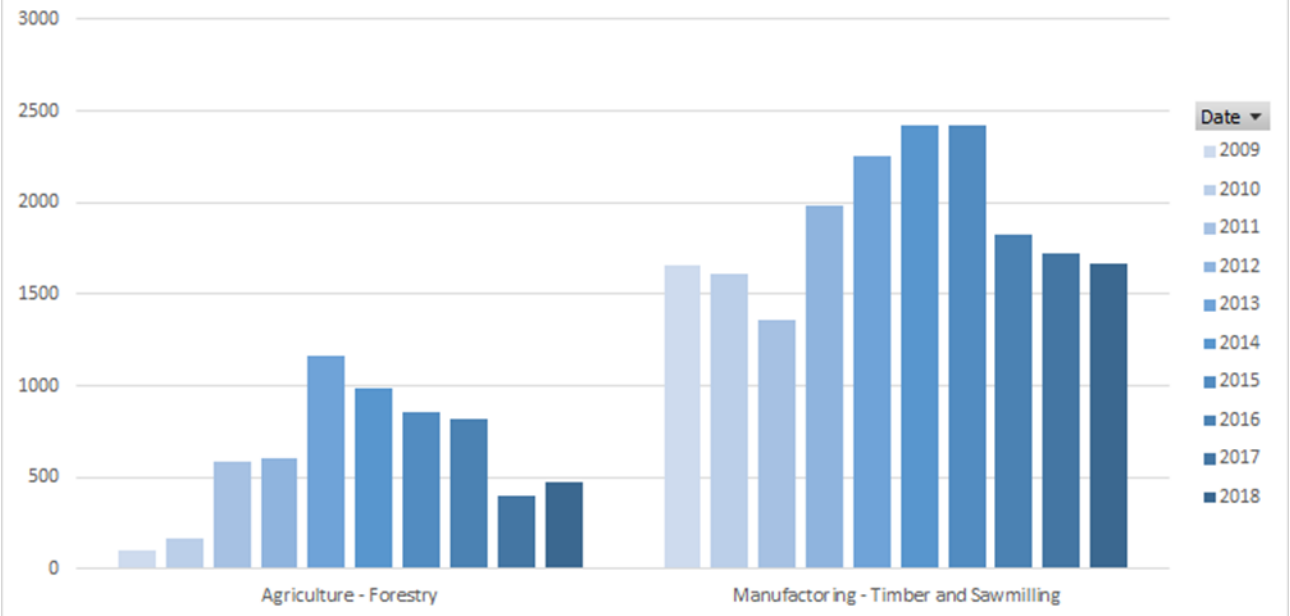
The economic development of FSOs is a key factor in ensuring the long-term sustainability and competitiveness of Guyana's forest sector. FSOs vary widely in size, structure, and financial capacity, ranging from large concession holders and industrial processors to small-scale loggers, community forestry enterprises and "friendly societies". Their economic growth depends on multiple factors, including access to capital, market opportunities, financial services, and investment in technology and infrastructure. Understanding the financial health and investment capacity of FSOs is essential for assessing their ability to comply with the VPA and the effects the VPA implementation can generate in each type of FSOs.

4.1.1. Total and average amount of capital investment by FSOs

Accurate measurement of total and average capital investment by FSOs prior to 2018 is constrained by data limitations. Publicly available financial information—loan data from the Bank of Guyana—reflects only formal capital sourced through the financial sector and excludes private, informal, or foreign investment flows. Bank of Guyana records indicate that capital investment in both the forestry and timber/sawmilling sectors increased steadily between 2009 and 2013, peaked around 2014–2015, and declined thereafter until 2018. Notably, investments in timber processing consistently exceeded those in harvesting activities, suggesting greater access to capital for vertically integrated operators. These macro trends align with other

indicators of sectoral activity—such as employment, production, and licence data—and appear to reflect the entry and subsequent withdrawal of foreign actors, particularly Chinese companies.

FIGURE 28. STATUS OF LOAN OF THE BANK OF GUYANA FOR THE (I) FORESTRY SECTOR (LEFT) AND (II) THE TIMBER AND SAWMILLING SECTOR (RIGHT) FROM 2009 TO 2018 (SOURCE: BANK OF GUYANA)



At the micro level, interviews conducted with 17 FSOs revealed distinct investment patterns by operator type. Estimated investment levels ranged from GYD 1–20 million for Amerindian operators, GYD 2–88 million for small FSOs, GYD 5–76 million for medium FSOs, and up to GYD 167 million for large FSOs. While these estimates are based on self-reported assets (e.g. machinery, infrastructure) and should be interpreted with caution, they confirm a clear gradient in capital intensity, with large FSOs maintaining industrial-scale operations and small/community-based operators relying on minimal capital and equipment. Overall, available data suggests that average investment levels are strongly correlated with size, degree of mechanization, and position within the value chain, with harvesting-focused FSOs operating with far lower capital inputs than those engaged in processing and export.

TABLE 21. ESTIMATION OF FSOS INVESTMENTS BEFORE 2018 (SOURCE: INTERVIEWS OF 17 FSOS)

Category	Estimation of investment – **min** (GYD)	Estimation investment – **Max** (GYD)	Notes
Large FSO	30M	167M	Significant fixed infrastructure and heavy machinery
Medium FSO	5M	76M	Mid-range operations with trucks, mills, tractors
Small FSO	2M	88M	Wide range (from only chainsaw to trucks and tractors-prior processing and transport), due to number of members of community associations (mainly individual investment in chainsaw not monitored at collective level included in maximum estimations)
Amerindian operator	1M	20M	Lower investments; more chainsaws, less heavy equipment, or transportation investment

4.1.2. Number of FSOs accessing financial services

The survey responses reveal that access to financial services varies significantly across FSO categories, with underlying reasons tied closely to perceptions, lived experiences, and structural barriers. Among **Large FSOs, none reported issues accessing financial services**—yet notably, several clarified that they never needed to approach banks because they received **foreign investments** and/or they relied on their **own capital**. Even one explained that they were helping partner small FSOs to access loans to buy equipment for harvesting activities.

In contrast, **Medium FSOs** demonstrated mixed experiences. While some accessed credit through **commercial banks like GBTI and Demerara**, others required **assistance from government-backed programmes such as the IPED and the Small Business Bureau**. Notably, even those who succeeded in securing credit sometimes encountered delays or challenges navigating the system, and at least two medium FSOs still reported unresolved difficulties.

All **Amerindian Operators interviewed reported** facing **barriers to financial services**. Several respondents indicated the financial support they relied on came primarily from **grants from the Ministry of Amerindian Affairs** (MAA), not loans from financial institutions. This may suggest that formal financial support is either not tailored to their realities or that access conditions remain challenging. In some cases, respondents said they had "never gone" to a bank, which could reflect a combination of factors such as limited information, or perceived inaccessibility.

Small FSOs echoed similar difficulties. Most respondents stated they **could not access bank loans**, citing reasons such as eligibility[48] and accessibility. One respondent explained that while banks were not an option, they received **private investment support from buyers** instead highlighting a reliance on informal financial arrangements and confirming the information received from one large FSO. Even those who hadn't approached banks indicated that they never went because they did not expect to qualify. This paints a picture of a financing environment that is perceived as out of reach, even for operators who are actively engaged in the sector.

Overall, these first-hand accounts reveal that while **Large FSOs operate independently, Medium FSOs navigate a mixed financing landscape, and Small FSOs and Amerindian Operators remain largely excluded from formal financial services**. Importantly, this exclusion is not due to a lack of need, but rather a lack of fit between institutional systems and the on-the-ground realities of these operators. This also means that the reported loans from Bank of Guyana may have benefited mainly to Medium FSOs (and maybe some Large FSOs).

4.1.3. Volume of traded forest products with a focus on traded timber species distribution and value-added forest products

This indicator provides insights into the structure of the forestry sector, distinguishing between raw material exports and domestically processed products. By analyzing these trends at the outset of the VPA implementation, we can better understand the sector's current level of industrialization, trade dependencies, and potential for economic diversification through increased processing and value-added production. According to GFC FSIR reports, in 2018 the **total production volume of timber products was 400,220 m³, while the export volume was only 116,434 m³ and 28,249 pieces.** This suggests that the difference of timber products remained in the domestic market or was not formally traded. Compared to the datasets from ITTO, FSIR values are 25% less important. ITTO values compared to FSIR ones are higher for production and exports values for about 25%, although the dataset supplied to ITTO comes from GFC. The difference seems partly due to a difference in terminology. ITTO considers under log what is considered under log and roundwood in FSIR. Additionally, splitwood and fuelwood are not identified in ITTO data while they represent about 24.000 m3. Finally, all added value products (moulding, furniture, building component, etc.) are not identified in ITTO as per their unit (pieces). An additional element could be the timeframe of the data as mentioned by GFC team. Raw log production significantly exceeds trade volume, indicating that a substantial portion (83%) is either used domestically, traded informally, or remains untraded. Value-added products, such as veneer, plywood, and splitwood, represent a small fraction of total production and trade, suggesting limited local industrial capacity. Tracking changes in these product categories will be essential to measure progress in promoting higher-value processing. As presented in the figure 22 below, mouldings represent a strong category of processed wood products, possibly indicating demand in construction and furniture sectors. The data suggests Guyana's forest sector is primarily trading processed wood components and mouldings rather than finished furniture or prefabricated houses. The high numbers in mouldings and building components indicate strong linkages with the construction industry. The low trade in furniture suggests that, despite Guyana's timber resources, the sector has yet to scale up production and trade in this category to develop a higher-value manufacturing sector within forest industry.

[48] No specific eligibility criteria were explicitly mentioned, but it appeared that lack of information and logistical challenges in accessing banks were two key factors influencing that consideration.

FIGURE 29. COMPARED TIMBER PRODUCTS PRODUCTION, LOCAL CONSUMPTION AND EXPORT VOLUMES IN 2018 (SOURCE: GFC FSIR AND ITTO, UNIT M3)

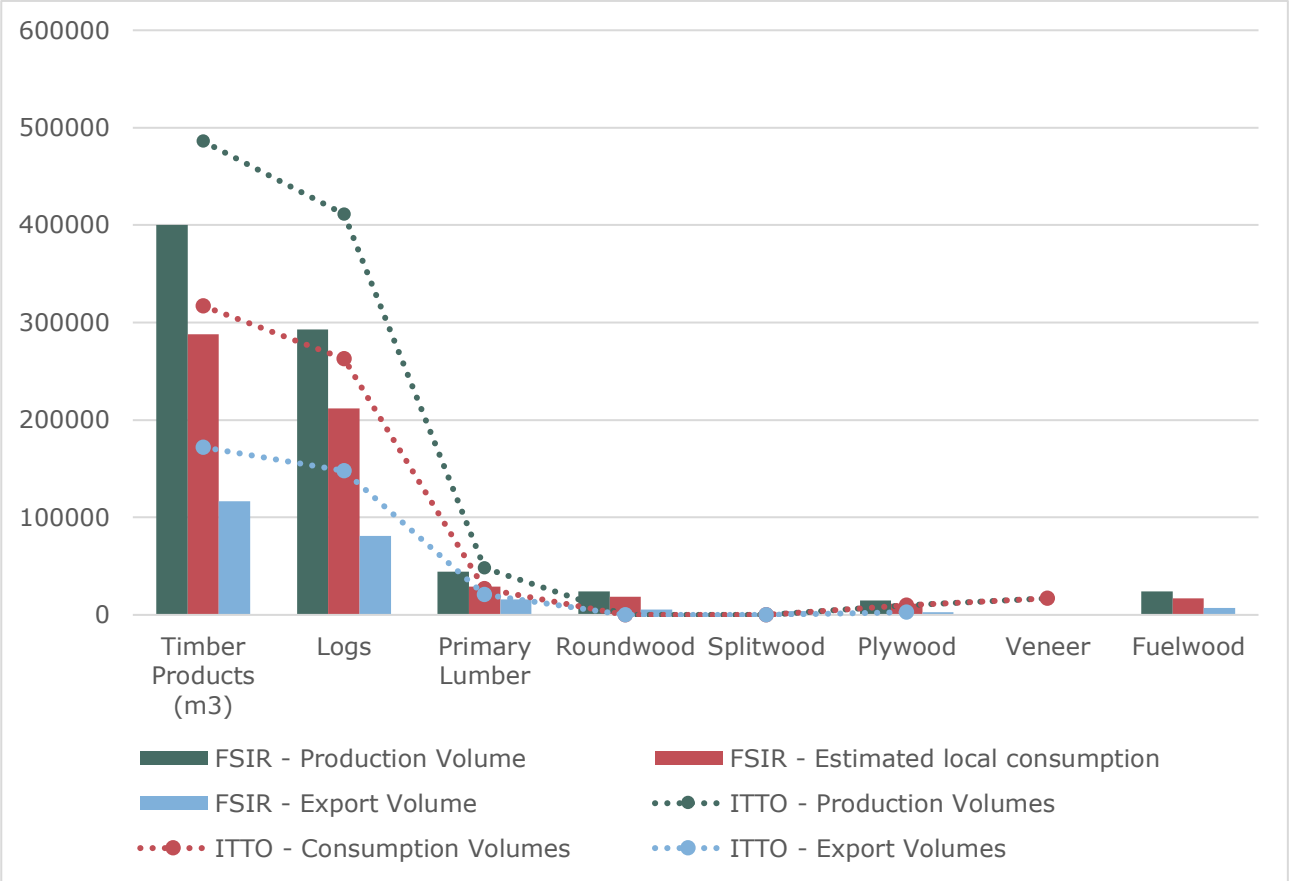
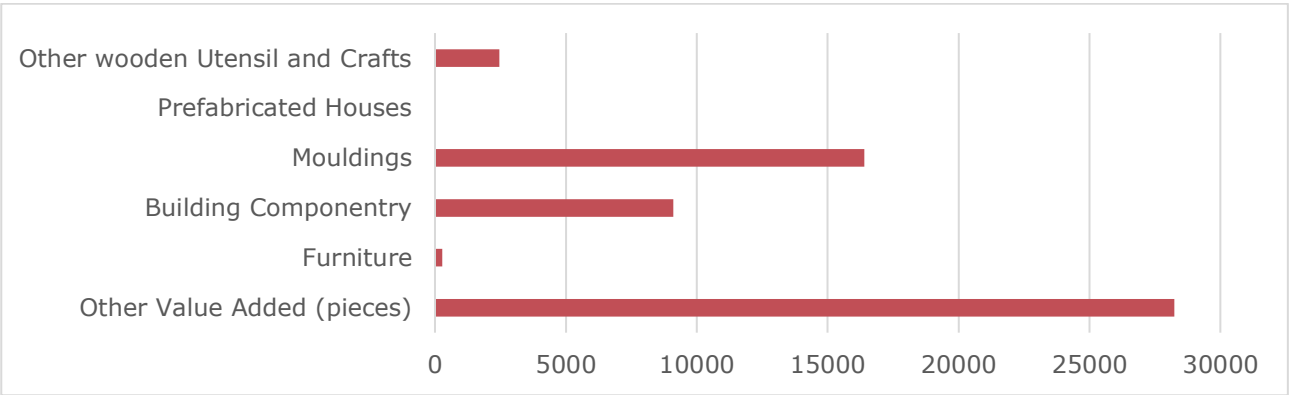


FIGURE 30. EXPORT ADDED VALUE FOREST PRODUCTS IN 2018 (SOURCE: GFC FSIR, UNIT: PIECES)



Additionally, we conducted a geographical analysis of the different level of added value products traded in Guyana relying on FSIR information. The production and traded product trends underline a decrease in value added products traded. This is particularly visible in logs and primary timber production and trade. Logs production has an increase trend with 266,196m3 in 2009 and 293,081m3 in 2018. It is interesting to underline two peaks occurring in 2014 with 406,432m3 and in 2010 with 320,089m3. The trend of log trade is similar with the same increase pattern from 62,039m3 in 2009 to 81,259m3 in 2018 and also presenting two peaks in 2010 and 2014. It is also interesting to underline the opposite trend for higher value products such as Primary Lumber. The primary lumber production decreases from 73,117m3 in 2009 to 44,607m3 in 2018. The traded primary lumber also follow the same trend decreasing from 36.220m3 in 2012 to 15.682 in 2018. Before 2012, processed products were mostly plywood and roundwood. The log trading is also both a long-term trend and a copying capacity during crisis.

FIGURE 31. COMPARED PRODUCTION AND EXPORTS PRODUCTS VOLUME BETWEEN 2008 AND 2018 (SOURCE: GFC FSIR, UNIT: M3 (LOGS, PRIMARY LUMBER, ROUNDWOOD, SPLITWOOD, PLYWOOD, VENEER, FUELWOOD, MOULDINGS), PIECE (FURNITURE, BC, PH, OTHERS)

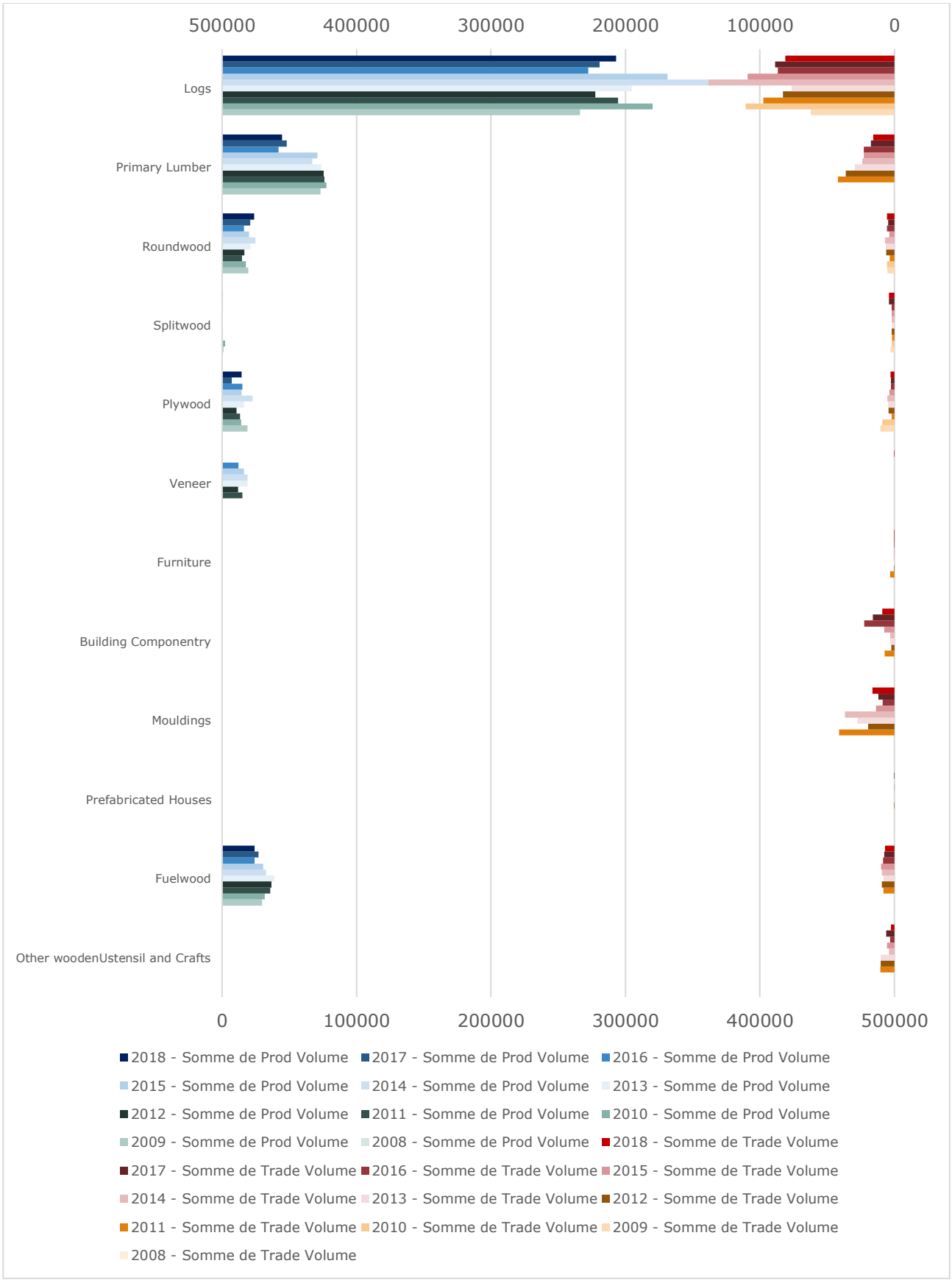
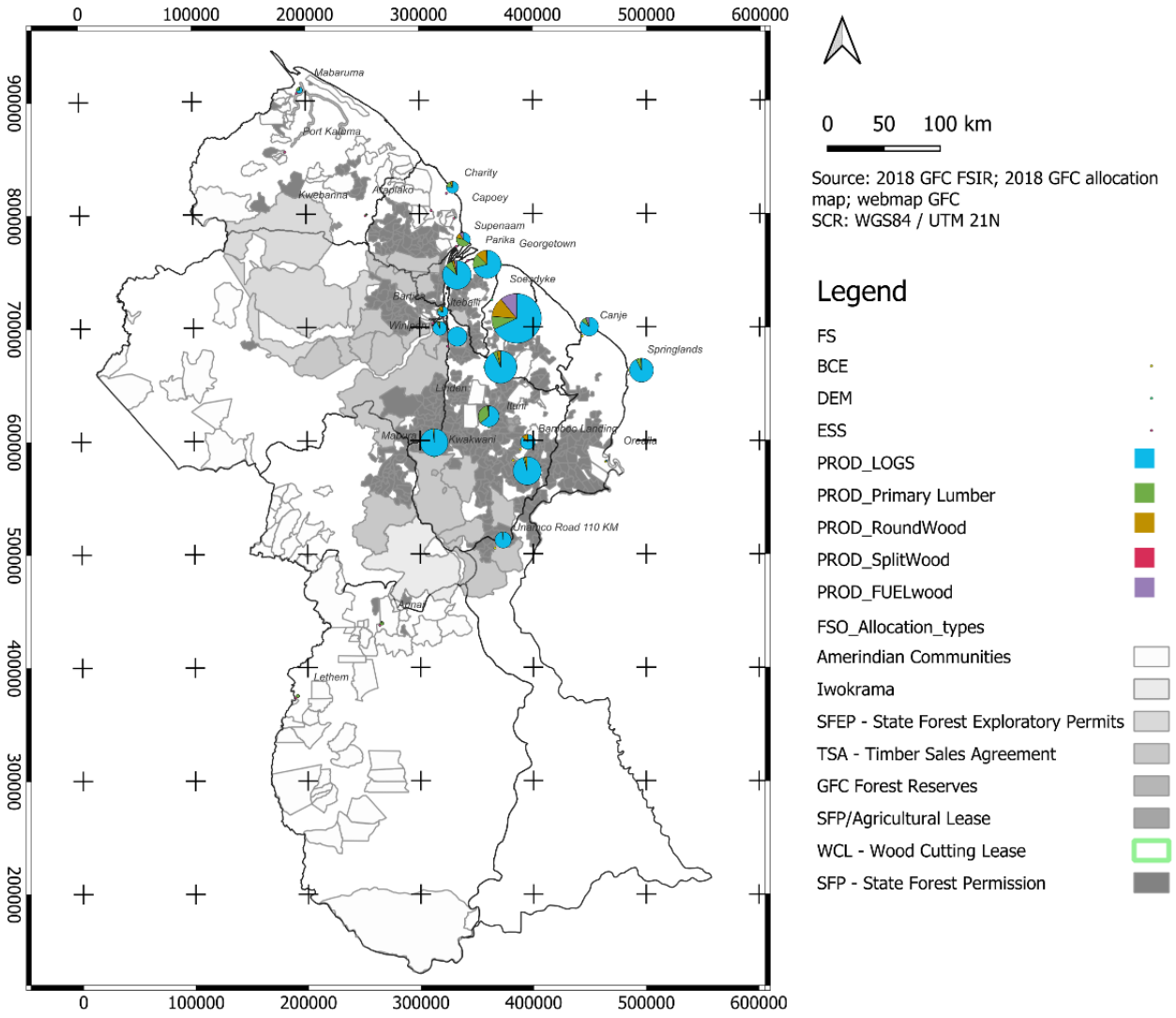


FIGURE 32. GEOGRAPHICAL BREAKDOWN OF TIMBER AND TIMBER PRODUCTS (GFC FSIR, 2018)



Production is concentrated in areas with access to roads and infrastructure, especially along the Linden–Lethem corridor and coastal access routes. Logs dominate in most locations, suggesting that harvesting and log extraction are the most common operations and much of the wood is extracted without processing, or is processed at centralized locations downstream. Primary lumber is present but secondary in volume, indicating that in-situ processing is less widespread and possibly centralized (in the road from Linden to Georgetown and in the coastal area). Roundwood and Splitwood are minor components in all charts, and Fuelwood is negligible or absent. Some pie charts show a diverse mix (e.g., around Mabura or Ituni), indicating multi-product operations—likely by medium or large FSOs with processing capacity[49]. Georgetown, Linden, Lethem, Bartica, Charity, Mabura, Ituni, and Annai appear strategically connected to forest production areas. The Linden-Mabura road and coastal transport corridors align with many of the pie chart clusters, suggesting that accessibility influences production intensity.

4.1.4. Value of FSOs Labour productivity

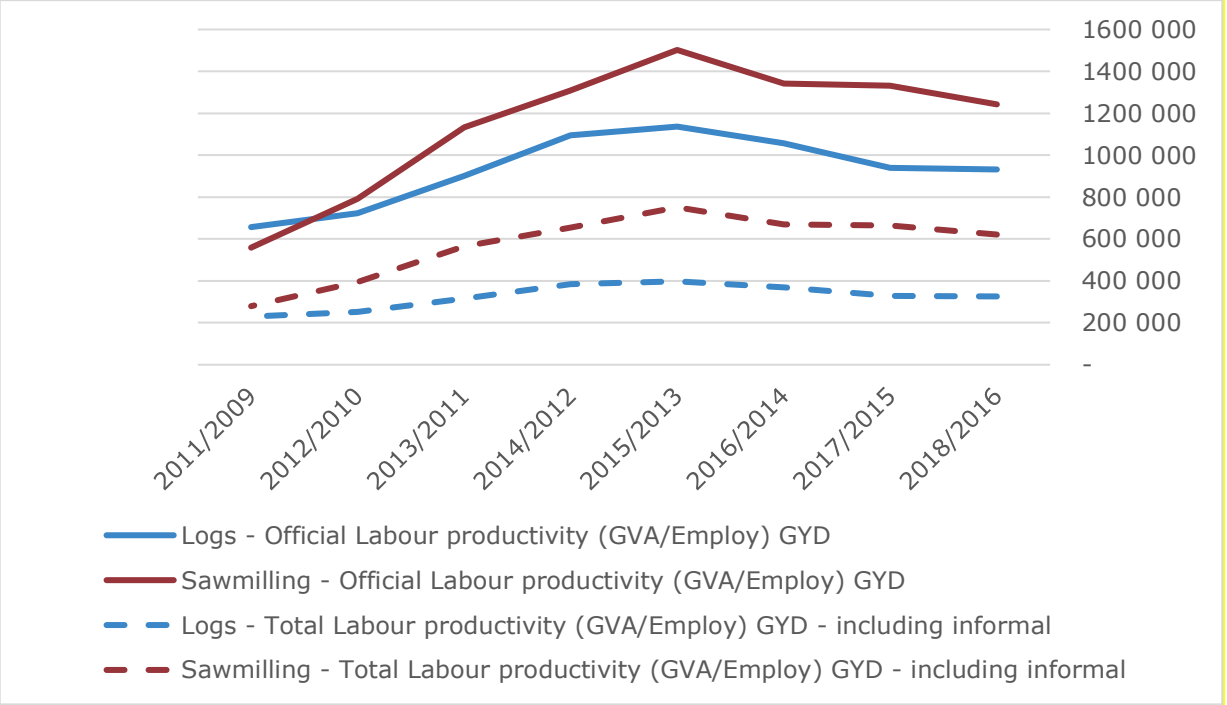
The EU definition of Labour productivity in forestry is based on the Gross Value Added (GVA) at basic prices per Annual Work Unit (AWU), which reflects the economic contribution of each worker within the sector.

[49] An important limitation of this map is that the products volume is attributed to the concession location. But in some case, it is probable that the processing unit is located elsewhere.

For the baseline study, we propose calculating Official Labour productivity using FSIR domestic prices divided by FSIR employment, based on a three-year mean. A parallel analysis has been also made considering the informal ratio in employment based on ILO microdata and the Labour Force Survey. It appears that the log production has a 65% informal rate and the manufacture sector has a 50% informal rate. This approach leverages available data while smoothing out short-term fluctuations. The Labour productivity will be divided by typology of actor according to the following table. The years considered for the 2018 average are therefore 2016, 2017 and 2018. The Plywood, Manicole Palm and Others have not been considered due to the difficulties to link them either to a primary or final product, or to have easy linkage between volumes (products unit in m3 or in pieces). The final export actor might be relevant but should be further defined with the GFC to ensure the representativity of the labour productivity calculation. Moreover, no specific data are available on the actor for Exportation.

The calculation of FSOs Labour productivity faces several methodological limitations. One key issue is the lack of clarity in employment definitions within the FSIR, as it would be more appropriate to use Full-Time Employment (FTE) rather than the total number of employees. Additionally, the downstream value chain has not been fully considered beyond exporters, and a simplified value chain was used to facilitate calculations. The method assumes a direct link between Sawnwood and Primary Lumber to estimate production volumes, but it does not account for loss ratios in log processing, leading to a slight overestimation of the value added in processing (as the same volume of final product was assumed for logs and primary products). Furthermore, the final price was derived from FSIR Domestic Prices, but no proper weighting has been applied between roundwood, sawnwood, and splitwood. The exclusion of VAT from product values is also uncertain, as it remains unclear whether VAT applies to Logs, Primary Lumber, and other categories. Lastly, while the current analysis provides a snapshot, developing data trends over time will enhance the understanding of Labour productivity dynamics within the forestry sector.

FIGURE 33. OFFICIAL AND TOTAL LABOUR PRODUCTIVITY EVOLUTION FOR LOGS AND SAWMILLING BETWEEN 2009 ABND 2018 (UNIT: GVA /EMPLOYMENT – GYD)

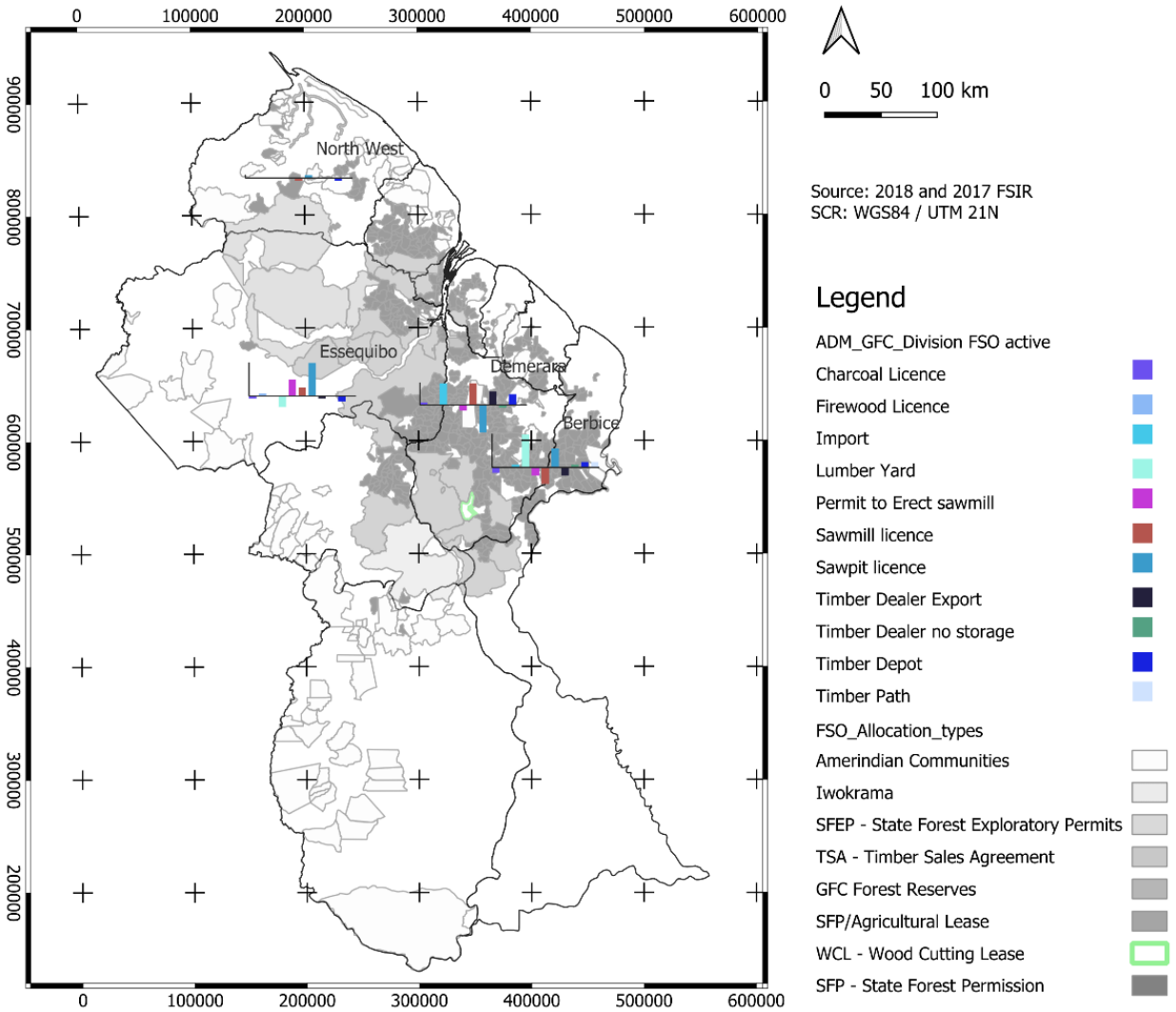


In 2018, Official Labour productivity in the forestry sector was estimated at 932,695 GYD for the Log segment and 827,325 GYD for the Sawmilling segment. Considering the informal sector, the total labour productivity in the forestry sector is reduced to 326,316 GYD for the log segment and 621,052 GYD for the sawmilling segment. Labour productivity is calculated as the gross value added by each segment divided by the number of employees within that segment. These figures provide insight from the economic contribution of each stage of the value chain, reflecting the efficiency and value generated per worker. The lower productivity in the sawmilling sector, despite the higher final price of processed wood, may be attributed to factors such as higher Labour intensity, loss ratios in processing, or inefficiencies in conversion rates from logs to final products. It will be useful to confirm those hypotheses with interviewed FSOs and GFC teams during phase 3.

4.1.5. Number and % of FSOs going inactive

There is currently no specific national report or database providing direct values for this indicator. In addition, the estimation of inactive FSOs is complicated by the fact that some operators—particularly Medium and Large FSOs—hold multiple licenses, meaning that a decrease in license numbers does not necessarily correspond one-to-one with the number of FSOs going inactive[50]. To approximate a proxy for this indicator, we analysed the reduction in the number of forest sector licenses and concessions allocated between 2017 and 2018, using the consolidated datasets referenced in the baseline (see Basis Data section). We also spatially located license renewal dynamics to assess the geographic distribution of activity and inactivity within the sector.

FIGURE 34. MAP OF LICENCES RENEWAL BETWEEN 2017 AND 2018 (SOURCE: GFC FSIR)



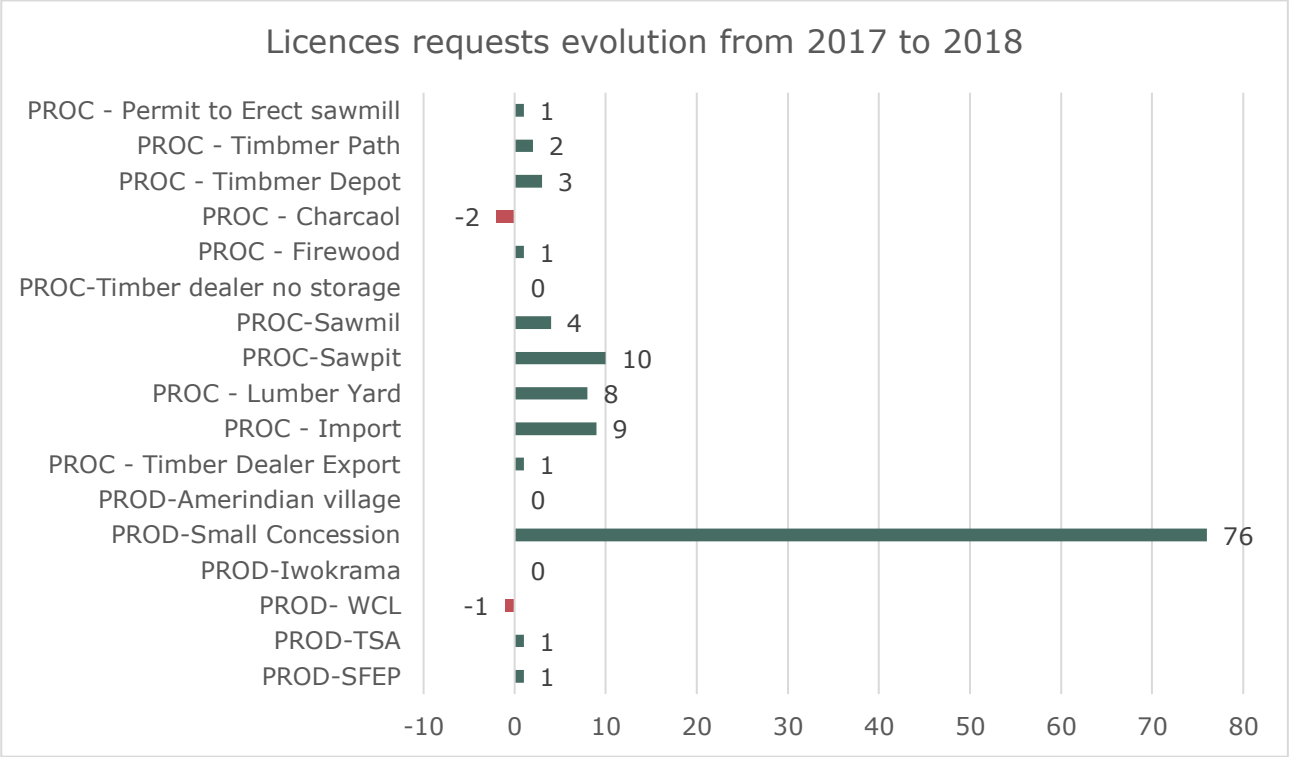
The 2018 data reveals significant decreases in license renewals across several administrative divisions, most notably in Berbice and Demerara, where sharp declines were observed in timber dealer, sawpit, sawmill, and charcoal/firewood-related licenses. The Northwest and parts of Essequibo also show a net decrease, though less pronounced. These patterns likely reflect a notable wave of FSOs going inactive in 2018, particularly among small and medium operators engaged in processing and trade. The most substantial declines occurred in areas that previously recorded high license activity, suggesting a dropout of smaller FSOs, consolidation of operations by larger actors, and limited incentives or capacity for renewal

[50] It is important to note that the non-renewal of a license does not necessarily imply the permanent closure of an FSO. Operators may shift temporarily or permanently to other activities or become inactive due to seasonal dynamics or informal operations.

among vulnerable operators. However, the decline is not uniform: some areas—such as parts of central Essequibo and the Linden corridor—exhibit modest net increases. As confirmed during focus groups, many small FSOs were exiting in 2018, while larger and foreign-backed operators—particularly Chinese investors—were entering the sector and often holding multiple licenses.

Certain regions—especially parts of central and southern Essequibo and Linden—exhibit a modest increase in various forest sector licenses, particularly sawmill and sawpit licenses, timber dealer export licenses, and timber depot licenses. The most visible increases are concentrated along the Essequibo and Demerara river corridors, including areas near Bartica, Linden, and zones with better road and transport infrastructure. These locations are also strategically situated near major sawmills, ports, and processing hubs, which enhance their economic viability. The observed growth primarily concerns licenses linked to processing, trade, and export, rather than harvesting alone. This includes new timber dealer export, timber depot, and sawmill permits, all of which signal a trend toward value-added investment and commercialization capacity. According to interviews and focus groups, this dynamic reflects a deliberate strategy of vertical integration pursued by medium and large FSOs prior to 2018. Operators reported investing in sawmills for small concessions and actively seeking new concession allocations to supply their processing facilities, reinforcing the sector's shift toward consolidated, integrated operations.

FIGURE 35. TOTAL EVOLUTION OF LICENCE REQUESTS BETWEEN 2017 AND 2018 (SOURCE: FSIR)



At national level, the sharp increase in small concession license requests suggests a trend toward greater regularization and formalization at the small-scale level (and a potential stretch in monitoring and enforcement systems requiring more resources to manage) and/or existing or new operators sought many more licenses for small concessions[51]. This suggests that, rather than an overall contraction of the sector, there was a restructuring, with some activities being reduced while others expanded.

[51] It does not mean that there were 80 new operators entering the sector in 2018.

TABLE 22. INDICATORS 4.1. FSOS ECONOMIC DEVELOPMENT

Indicators	Data source(s)	Baseline value (2018)
4.1.1. Total and average amount of capital investment by FSOs *By types of FSO*	Amount of annual loans from Bank of Guyana	Agriculture – forestry (2018) : 477 GYD millions Manufacturing – Timber and sawmilling (2018) : 1662.7 GYD millions
4.1.2. Number of FSOs accessing financial services *By type of FSO*	FSOs interviews and focus groups	Large FSOs operate independently (own capital or foreign investments), Medium FSOs navigate a mixed financing landscape (Government grants and private banking), and Small FSOs and Amerindian Operators remain largely excluded from formal financial services.
4.1.3. Volume of traded forest products with a focus on traded timber species distribution and value-added forest products *By types of FSO and timber species and products*	GFC reports (FSIR) and allocation map	For 2018: Timber products production = 400.220 m3 Timber products exports = 116.434 m3 Other value-added products trade = 28.249 pieces *No available data about species and local trade*
4.1.4. Value of FSOs Labour productivity *By types of FSO*	GFC reports (FSIR)	Log segment: 932.332 GVA / Employee - GYD Sawmilling segment: 1.242.104 GVA / Employee - GYD
4.1.5. Number and % of FSOs going inactive *By types of FSO*	GFC reports (FSIR) and allocation map	In 2018, declines in licenses numbers located in Berbice, Demerara and Northwest mainly affecting small concessions and processing actors.

Key findings:

- **Investment in the forestry sector grew steadily from 2009, peaking between 2013 and 2015, before experiencing a downward trend until 2018,** mirroring employment and production patterns. Processing sectors received consistently higher investments compared to agriculture-forestry. **Financial exclusion is widespread among smaller operators**. Formal financing tends to support Medium (and a few Large) FSOs, reinforcing inequality in the sector. The financial landscape is highly unreported.
- In 2018, timber production reached 400,220 m³, but only 116,434 m³ was exported, indicating that a **significant portion of timber remained in the domestic market** or was not formally recorded in trade data. Value-added products made up a small fraction of total production, highlighting Guyana's **limited industrial capacity in forest product processing**. Guyana's forestry sector remains **export-focused but low in value addition**. Road access plays a crucial role in determining production hubs and product types.
- Productivity levels in logging (932,332 GYD per worker) and sawmilling (1,242,104 GYD per worker) suggest that **while sawmilling generates higher value, factors such as processing inefficiencies and Labour intensity may impact returns per worker**.
- **Declines in licences numbers were most notable in Berbice, Demerara, and the Northwest**—mainly affecting small concessions and medium processing actors. Despite some regional increases, overall license reduction suggests **exit of vulnerable FSOs and growing dominance by large, foreign-backed players**. Trends align with growing commercialization and concentration of value-added operations in better-connected areas. Growth of **vertically integrated operations** also reflects consolidation in the sector.

D.5.2. Sub-impact area 4.2. Forest sector attractivity

4.2.1. Number and origins of applications to access concessions in Guyana

Although Annex IX of the VPA requires the public disclosure of information regarding the allocation process, access to detailed data on allocation applications remains limited. The baseline remains without value for this indicator.

4.2.2. Volume and list of foreign investments in Guyanese forestry sector

Foreign investment has historically played a significant role in Guyana's forestry sector. As of 2016, approximately 82% of large timber concessions were controlled by foreign companies, predominantly from China, Malaysia, and India. Notable foreign-held concessions included BaiShanLin with over 615,000 hectares, Vaitarna Holdings with 737,852 hectares, and Barama Company Limited managing 1.6 million hectares (Kaieteur news, 2016). Specific data detailing the volume and list of foreign investments in Guyana's forestry sector for 2018 is limited (see sub impact area 4.1. about funding origins). However, the substantial growth in exports and production during that year may indicate ongoing and potentially increased foreign involvement in the sector, although this cannot be established conclusively from the available data alone.

During focus groups, FSOs explained that for major foreign companies operating large concessions, investments in infrastructure, heavy equipment, and related operations were typically funded directly by their foreign headquarters. This internal channel—rather than loans or external capital—represented the primary mechanism of private foreign investment in the sector.

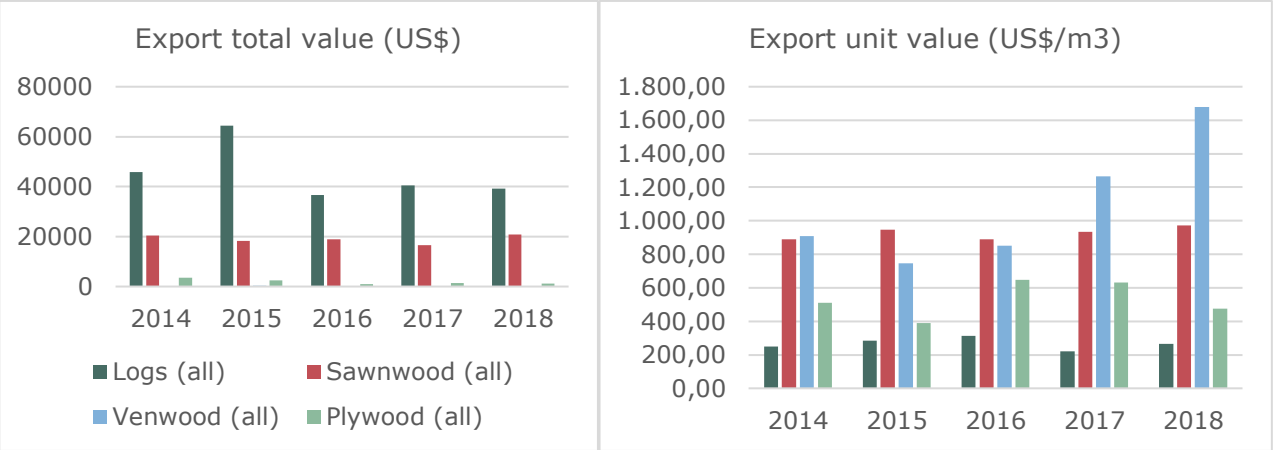
4.2.3. Volume and total value of exported wood and articles of wood, compliant with international phytosanitary standards

According to ITTO[52], between 2014 and 2018, logs were the most traded timber product, with notable exports and relatively high domestic consumption. Venwood is fully consumed domestically, with very few exports and imports. Sawnwood has a mix of exports and domestic use, but imports remain low. Plywood sees moderate imports but is mainly used locally, with very few exports. The total export value presented in the figure below shows that logs consistently accounted for the largest share of export earnings. This suggests that raw timber extraction remains a major component of Guyana’s forest sector. A peak in 2015, followed by stabilization at a lower level, may reflect variations in international demand, production levels, or market conditions influencing log exports. Logs remain the lowest in unit value.Sawnwood exports have maintained a relatively stable contribution to total export value throughout the period. This indicates a sustained market for processed wood, which plays an important role in the sector’s trade balance. The moderate increase in sawnwood exports in 2018 suggests some level of resilience in demand[53]. Sawnwood maintains a higher unit value than logs, reflecting the additional processing costs and value associated with converting raw logs into cut timber. Plywood and veneer wood (venwood) show lower total export values and volumes compared to logs and sawnwood. These products represent a smaller segment of Guyana’s forest exports, possibly due to production levels, market size, or export destinations. Plywood exhibits a moderate unit value, positioned between logs and sawnwood, indicating a differentiated market. Venwood has the highest export unit value, reaching over $2,000/m³ in 2018.

[52] The use of ITTO datasets allows for alignment with international reporting standards and facilitates comparison across countries, including potential analysis of species composition and compliance with international market requirements; complementary national export data from the FSIR are available in Section 4.1.3.

[53] Potentially linked to reconstruction needs in the Caribbean as mentioned during focus groups.

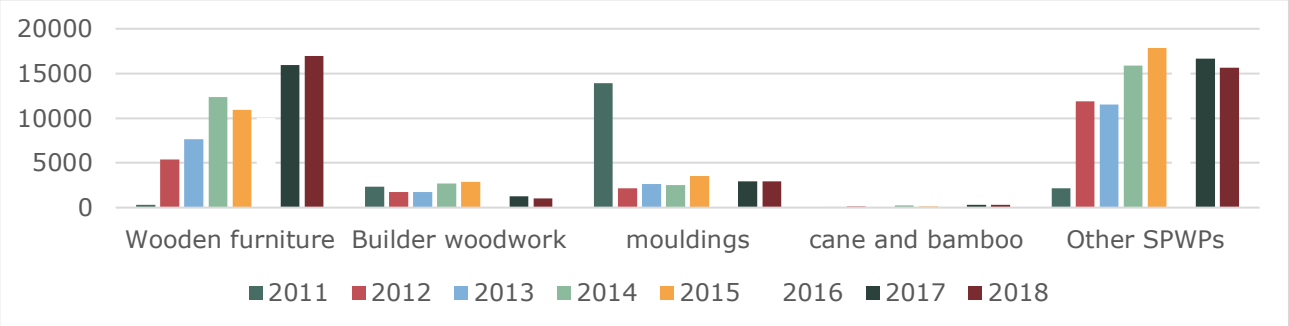
FIGURE 36. EVOLUTION OF EXPORTS VALUE OF TIMBER AND WOOD PRODUCTS FROM 2014 TO 2018 (SOURCE: ITTO)



The evolution of export values for Secondary Processed Wood Products (SPWPs) in Guyana between 2011 and 2018 (see figure below) reveals distinct trends across product categories:

- **Dominance of "Other SPWPs":** This category consistently recorded the highest export values, peaking above $18 million USD in some years. The strong performance suggests that diverse processed wood products hold a significant share in Guyana's value-added wood industry, reflecting demand for various specialized wood products in international markets.
- **Fluctuations in Builder Woodwork:** Unlike wooden furniture or other SPWPs, builder woodwork never reached high export values. The values fluctuate slightly but remain within a narrow range across all years. The lack of substantial increase suggests low demand in international markets or limited production capacity, a higher domestic consumption, production constraints or maybe competition with other materials.
- **Steady Contribution of Wooden Furniture and Mouldings:** While wooden furniture exports showed moderate and consistent values from 2012 to 2018, they remained well below builder woodwork and Other SPWPs. Mouldings maintained a relatively stable trend, suggesting that these sectors provide steady, if not dominant, contributions to the processed wood export market.

FIGURE 37. EVOLUTION OF EXPORTS VALUE (1000 USD) OF SECONDARY PROCESSED WOOD PRODUCTS BETWEEN 2011 AND 2018 (SOURCE: ITTO)

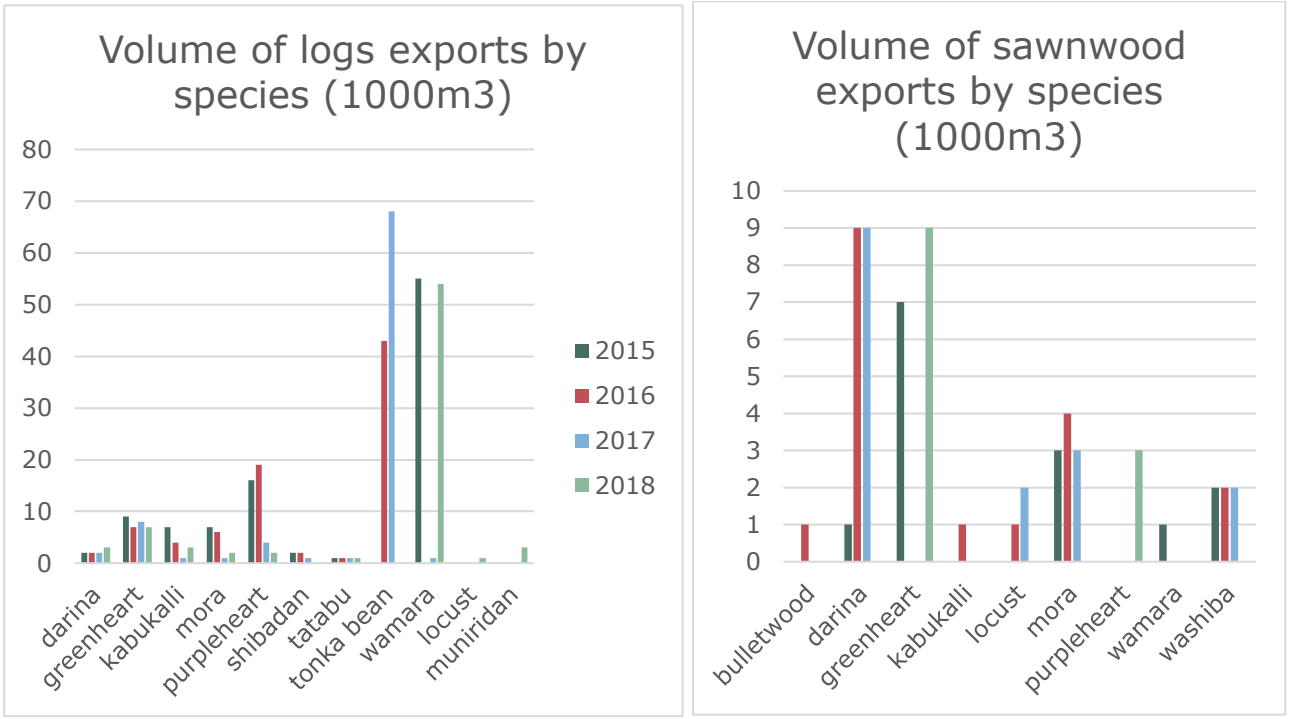


Trends of exportation by species

ITTO export data from 2015 to 2018 reveal structural dynamics and fluctuations in Guyana's **log and sawnwood trade**. Among **logs**, ***Swartzia spp.*** (wamara) dominated exports in 2015 with 55,000 m³, disappeared for two years, and returned in 2018 with 54,000 m³, suggesting unstable supply or demand. ***Peltogyne venosa*** (purpleheart) dropped from 19,000 m³ in 2016 to just 2,000 m³ in 2018, while *Mora spp.* declined from 7,000 m³ to 2,000 m³ over the same period. In contrast, *Chlorocardium rodiei* (greenheart) maintained stable volumes (7,000–9,000 m³) and saw a price rise from $169/m³ to $182/m³, underlining steady demand. High value purpleheart remained the most expensive at up to $275/m³, and new entries in 2018, such as *Siparuna spp.* (muniridan, 3,000 m³) and *Hymenaea courbaril* (locust, 1,000 m³), indicate diversification into niche markets. For **sawnwood**, ***Greenheart*** reappeared in 2018 with 9,000 m³, priced at $830/m³, after a two-year gap. ***Hymenolobium spp.*** (darina) peaked at 9,000 m³ in 2016–2017 but vanished in 2018 despite high unit prices (up to $962/m³). *Purpleheart* resurfaced with 3,000 m³ at a strong price of $1,037/m³, while *Tabebuia ipe* (washiba) held steady at 2,000 m³ between

2015 and 2017, with prices consistently above $2,000/m³, making it the most valuable species exported. Meanwhile, *Mora excelsa* declined from 4,000 m³ to zero and dropped dramatically in value from $984/m³ in 2017 to $204/m³ in 2018. Locust showed a 155% price increase between 2017 and 2018. These figures underline a sector with **stable anchors** like greenheart, **volatile high-value species**, and **shifting species portfolios**, reflecting both market reorientation and possible changes in forest access or regulation.

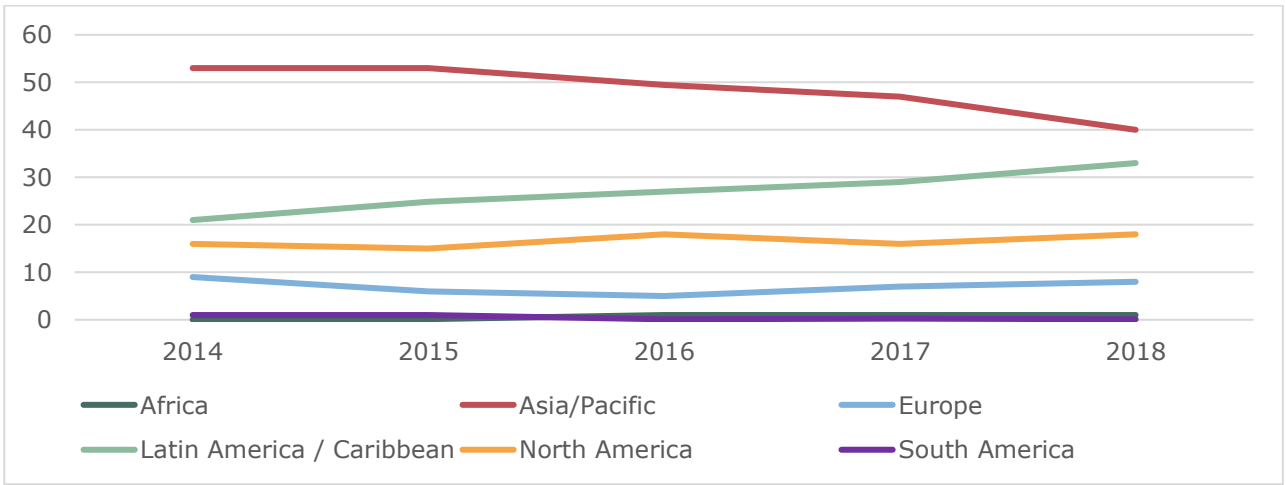
FIGURE 38. EXPORTS VOLUME (1000M3) OF LOGS AND SAWNWOOD BY SPECIES BETWEEN 2015 AND 2018 (SOURCE: ITTO)



Trends of exportations by destinations

The evolution of timber exports values presented in the FSIR of 2018 (see figure below) shows that the decline in the Asia/Pacific share suggests diversification in timber export destinations or a drop in demand from that region. Latin America / Caribbean's increasing share indicates a growing timber trade with the region and suggests a shift in timber export markets from Asia / Pacific toward Latin America / Caribbean. Europe, North America and Africa have relatively stable trends, meaning no significant changes in their timber trade dynamics.

FIGURE 39. EVOLUTION OF TIMBER EXPORTS VALUES BY DESTINATION (%) (SOURCE: FSIR)



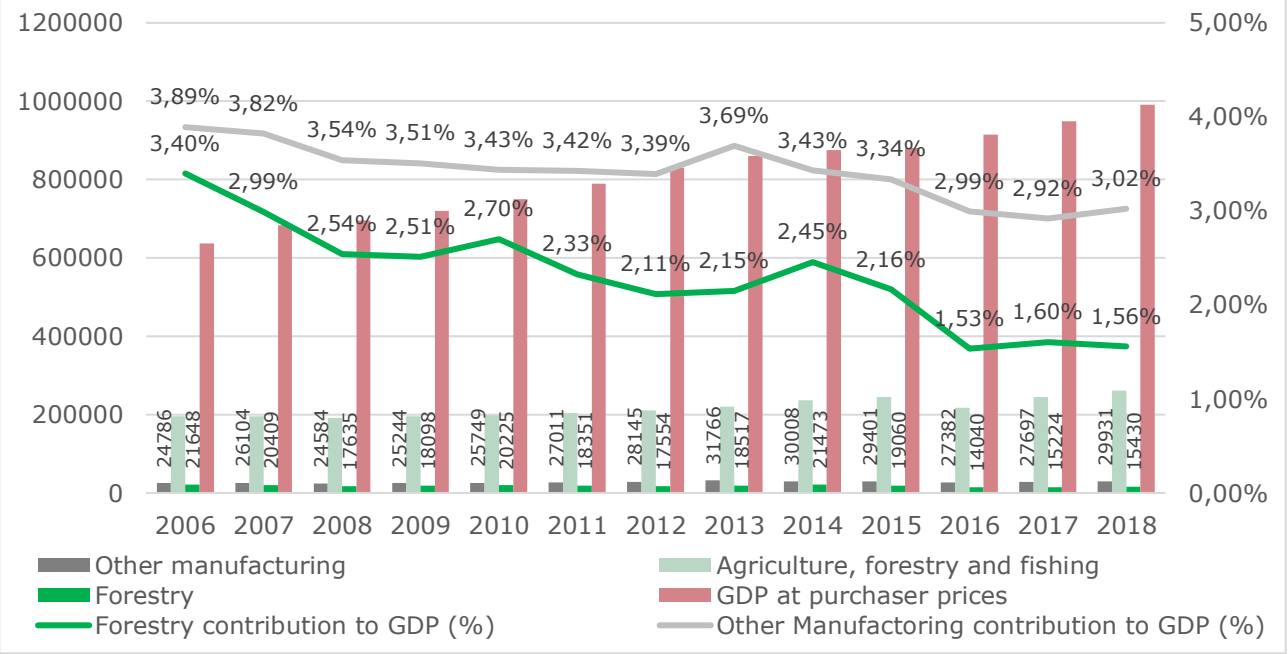
An analysis of the FSIR export data to Europe reveals that log exports represent only 0.04% of total log exportations, indicating a minimal presence in this market. In contrast, sawnwood exports to Europe increased from 2,953 m³ in 2017 to 3,254 m³ in 2018 (+10.2%), with its share of total exports rising from 16.8% to 20.7%. Similarly, roundwood exports saw a significant rise, growing from 438 m³ to 772 m³ (+76.3%), with its share increasing from 9.2% to 13.9%, reflecting stronger growth compared to other timber types. This trend suggests a growing European demand for processed timber rather than raw logs. Additionally, the absence of splitwood and plywood data raises questions about whether these products are exported in minimal quantities or if there are gaps in data reporting that require further investigation.

These findings are consistent with qualitative evidence gathered during focus groups with FSOs—especially those involving exporters—which provided deeper context to these export trends. Participants indicated that after 2016, the Chinese and Indian markets became saturated, leading to a pivot toward emerging opportunities in the EU market, where demand for processed timber was increasing. One exporter, Iwokrama, invested in FSC certification to access premium European markets, although this was perceived by most FSOs as too costly without guaranteed returns. Exporting logs to China also became less attractive due to falling prices and rising costs. As a result, many Guyanese FSOs reported focusing on value-added production rather than increasing export volumes, aligning with the observed rise in processed timber exports. Moreover, the Caribbean market was identified as a key destination for finished hardwood products, especially after natural disasters spurred demand for construction materials. However, several operators anticipated a likely decline in the Caribbean market's share of timber exports in upcoming years, a shift that may be reflected in future rounds of the IMF indicator.

4.2.4. Forest sector GDP and description of its drivers

The forest sector's contribution to GDP in Guyana is assessed using the System of National Accounts (SNA) Classification, which aligns with the International Standard Classification of All Economic Activities (ISIC Rev. 4) (Bureau of Statistics, 2020). Under the SNA classification, the forestry sector is primarily represented within Section A: Agriculture, Forestry, and Fishing, specifically under Division 02 – Forestry and Logging, which encompasses the primary production of logs, sawnwood, roundwood, and splitwood. Data for this section is available through GFC's FSIR and the Bureau of Statistics website. Additionally, value-added processing activities related to forestry fall under Section C: Manufacturing, particularly within Division 16 – Manufacture of wood and wood products (excluding furniture) and Division 17 – Manufacture of paper and paper products. This classification includes sawmilling, wood planning, plywood, furniture, and other processed wood products, although detailed disaggregated data for these divisions is not available.

FIGURE 40. GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT MARKET PRICE CONSTANT 2012 PRICES (GYD MILLIONS). CONTRIBUTION OF FORESTRY AND OTHER MANUFACTORING SECTOR TO GDP (GYD MILLIONS AND %) (SOURCE: BUREAU OF STATISTICS)



Over the last decade, the forestry sector's absolute GDP value declined by approximately 10%, reaching 18,734 million GYD in 2018. This decline was largely influenced by market price fluctuations. The sector's

annual growth trends have been highly variable, ranging from a sharp decline of -26.3% in 2016 to a peak growth of 16% in 2014, reflecting its sensitivity to market conditions and external economic factors. The forestry sector's contribution to GDP (green line in the following figure) has consistently declined from 2006 to 2018, despite occasional fluctuations. The sector peaked around 2013–2014, followed by a sharp decline in 2016, largely due to the non-renewal and repossession of several large concessions (GFC reports). From 2016 onwards, its contribution remained below 2%, indicating persistent structural challenges. In contrast, the agriculture, forestry, and fishing sector (light green bars) has shown relatively stable contributions, with a slight increase in later years. This suggests that while forestry's share declined, other subsectors within this category may have compensated for the losses. Additionally, the other manufacturing sector and its GDP contribution (grey bars) have remained relatively stable, with slight growth. The percentage contribution of manufacturing to GDP (grey line) has gradually increased, highlighting a relative shift in the economy from raw timber exports toward value-added production.

The 2016 contraction was primarily driven by structural changes, particularly the non-renewal and repossession of several large concessions, significantly impacting production levels and economic output (GFC, 2016). In 2018, several policy measures and market dynamics influenced the forestry sector's GDP. The government introduced incentives to support the industry, including:

- Removal of VAT on forest produce
- Funding for a national forest inventory
- Development of a consolidated stockyard to improve sector efficiency (GFC, 2018)
- Increased tariffs on imported pine lumber and prohibition of logs importation from Suriname[54] aimed to encourage local production and stimulate growth in the value-added timber subsector.

Despite these measures, the sector faced mixed economic outcomes. While forest production (logs, roundwood, and primary lumber) increased by approximately 3% compared to 2017, market conditions led to declining prices, limiting its overall GDP contribution. The combination of production growth in 2018 and price fluctuations underscores the ongoing volatility within the forestry sector.

TABLE 23. INDICATORS 4.2. FOREST SECTOR ATTRACTIVITY

Indicators	Data source(s)	Baseline value (2018)
4.2.1. Number and origins of applications to access concessions in Guyana	Press articles	82% of large timber concessions controlled by foreign companies (China, Malaysia, India)
4.2.2. Volume and list of foreign investments in Guyanese forestry sector	Press articles	BaiShanLin (615,000 ha), Vaitarna Holdings (737,852 ha), Barama Company Limited (1.6M ha)
4.2.3. Volume and total value of exported wood and articles of wood, compliant with international phytosanitary standards *By country of origin and destination*	ITTO databases	Logs: 148.000m3 / 39,2M US$ /265,04 US$/m3 Sawnwood: 21.000m3 /21M US$ / 970.79 US$/m3 Venwood: 0.006m3 / 12.000 US$ / 1.679,49US$/m3 Plywood: 3.000m3 / 3.000 US$ / 10US$/m3
4.2.4. Forest sector GDP and description of its drivers	Bureau of statistics	Forestry GDP: 18.734 GYD million (0.48% of GDP) Other Manufacturing GDP: 51.138 GYD million (1.3% of GDP)

Key findings:

- **Attractiveness of Guyana's forestry sector to investors remained high**, especially foreign entities, though data gaps and lack of transparency hinder detailed assessments. Foreign

[54] Information given by export operators during focus group.

companies control approximately 82% of large timber concessions in 2016, mainly from China, Malaysia, and India[55]. 2018 saw an 18.1% growth in the forestry sector, driven by high demand from China, India, and the U.S.

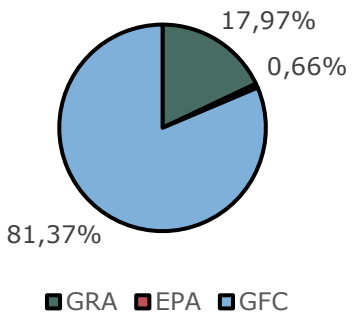
- **The sector was heavily dependent on log exports**, though there was an evident shift toward processed products like sawnwood and SPWPs, especially for premium markets like the EU. Export diversification was underway, with a decline in Asia-Pacific and growth in Caribbean and European markets. Logs accounted for the largest export earnings, but with low unit value. Sawnwood maintained stable export levels and a higher unit value than logs. Plywood and veneer wood had lower export values but high unit values, indicating niche market potential.
- **The economic contribution of forestry was shrinking within the national GDP structure**, despite production incentives. The forestry sector's GDP contribution declined by ~10% over the last decade, reaching 18,734 million GYD in 2018. Forestry's contribution to GDP fell below 2% from 2016 onward, indicating structural challenges. Policy measures introduced in 2018 to support the sector included: VAT removal on forest produce, National forest inventory funding, Development of a consolidated stockyard, Higher tariffs on imported pine lumber to promote local production. Despite these efforts, **market price volatility** continued to affect the sector's overall performance.

D.5.3. Sub-impact area 4.3. Public institutions performance

4.3.1. Public revenues generated by the forest sector

The public revenues generated by the forestry sector in Guyana encompass various sources, including fees, licensing, and export commissions managed by the GFC, construction fees related to environmental authorization under the EPA, and company taxes administered by the GRA among others. According to the Guyana Extractive Industries Transparency Initiative (GEITI) report for the fiscal year 2018 (BDO, 2021), the total revenue from the forestry sector amounted to 1,390,508,759 GYD (5,740,801 EUR[56]). Of this, GFC contributed 1,131,477,841 GYD (4,673,006 EUR), GRA accounted for 249,852,332 GYD (1,032,925 EUR), and EPA generated 9,178,586 GYD (37,889 EUR). Key insights from the GEITI report highlight that the GRA's Individual Income Tax of 38,614,740 GYD (159,488 EUR) reflects forestry-dependent livelihoods, while the PAYE tax of 31,349,619 GYD (129,474 EUR) provides an indication of company profitability along the forestry value chain. Additionally, the VAT of 24,948,182 GYD (103,059 EUR) offers insights into price variations and increased processing activities in Guyana. Furthermore, the customs duty collected by GRA, amounting to 115,081,221 GYD (475,957 EUR), alongside the GFC's commission on exports totalling 543,766,902 GYD (2,245,765 EUR), underscores the significance of export activities, which are expected to be further reinforced through the VPA. Notably, the GFC's commission on exports represents 48% of its total public revenue, demonstrating its critical role in the sector's financial framework.

FIGURE 41. TOTAL REVENUE FROM FORESTRY SECTOR BY CONTRIBUTING GOVERNMENT AGENCY FOR FISCAL YEAR 2018 (SOURCE: GEITI REPORT; UNIT: GUYANESE DOLLARS)



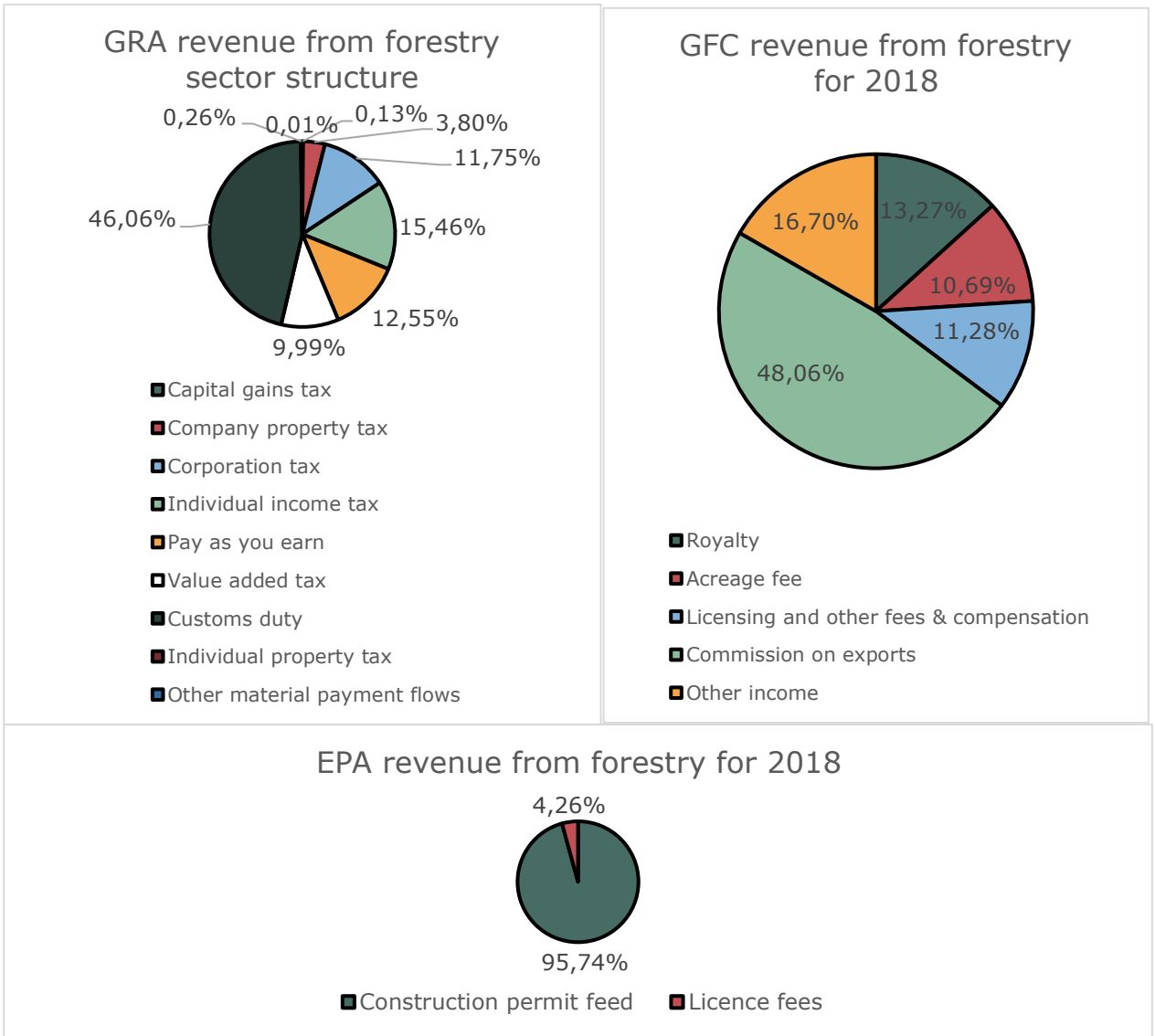
GFC is the primary provider of forestry sector revenues, accounting for the vast majority of total earnings. The commission generates about 81% of total revenue, primarily from forest product use fees, licensing,

[55] Notable foreign-held concessions include: BaiShanLin: 615,000 hectares, Vaitarna Holdings: 737,852 hectares, Barama Company Limited: 1.6 million hectares.

[56] Average change rate in 2018: 1 EUR = 242 GYD

and export commissions. GRA provides a significant portion, around 18%, through taxation mechanisms, including corporate and individual income taxes,VAT), and customs duties on forestry-related activities. EPA collects the smallest share, less than 1%, through environmental authorization fees related to forestry operations. As shown in the following charts, the structure of GRA revenue from forestry is highly trade- and income-dependent, with customs duties, income taxes, and VAT making up the majority of collections. The relatively lower contribution from corporate and property taxes may indicate limited large-scale landholding or investment transactions within the sector. The GRA chart reveals that various taxes—corporation tax (11.75%), individual income tax (15.46%), PAYE (12.55%), and VAT (9.99%)—collectively contribute a significant portion of public revenue. These figures indicate that both corporate and individual contributions from the forestry sector play a substantial role in Guyana's tax system, although direct taxation on forestry businesses (corporation tax) remains moderate. For GFC revenues, we can observe that Export commissions dominate the revenue structure (48,06%), reinforcing the importance of Guyana's timber and forest product trade. Domestic revenue sources like royalties, acreage fees, and licensing fees play a supporting role but are not the primary drivers of GFC's income. The vast majority of EPA's revenue from forestry comes from construction permit fees (95,74%), indicating that the main regulatory role of the EPA in the sector is linked to environmental authorizations for infrastructure development. License fees account for a very small portion of total revenue, suggesting that forestry-related environmental licenses are either limited in number or low in cost compared to construction permits. This could indicate that the EPA's direct regulatory influence on forestry activities through licensing is minimal, with most oversight occurring through project approvals. The current revenue structure shows a strong dependence on export commissions and trade-related taxes, making the sector susceptible to external economic shifts.

FIGURE 42. BREAKDOWN OF PUBLIC REVENUES FROM FORESTRY SECTOR FROM EACH GOVERNMENT AGENCY (SOURCE: EITI REPORT)



The relatively moderate contributions from corporate taxes and royalties suggest that forest-based enterprises could play a bigger role in tax contributions. Incentivizing formalization, sustainable forest management, and domestic production could improve financial returns from the sector while ensuring long-term viability. By reducing informal activities and increasing transparency, the VPA will likely strengthen the financial contributions of forestry enterprises, which is essential for maintaining the revenue streams of key government agencies such as the GFC, GRA, and EPA. Ensuring successful VPA implementation can therefore support sustainable public financing while reinforcing environmental and economic sustainability in Guyana's forestry sector.

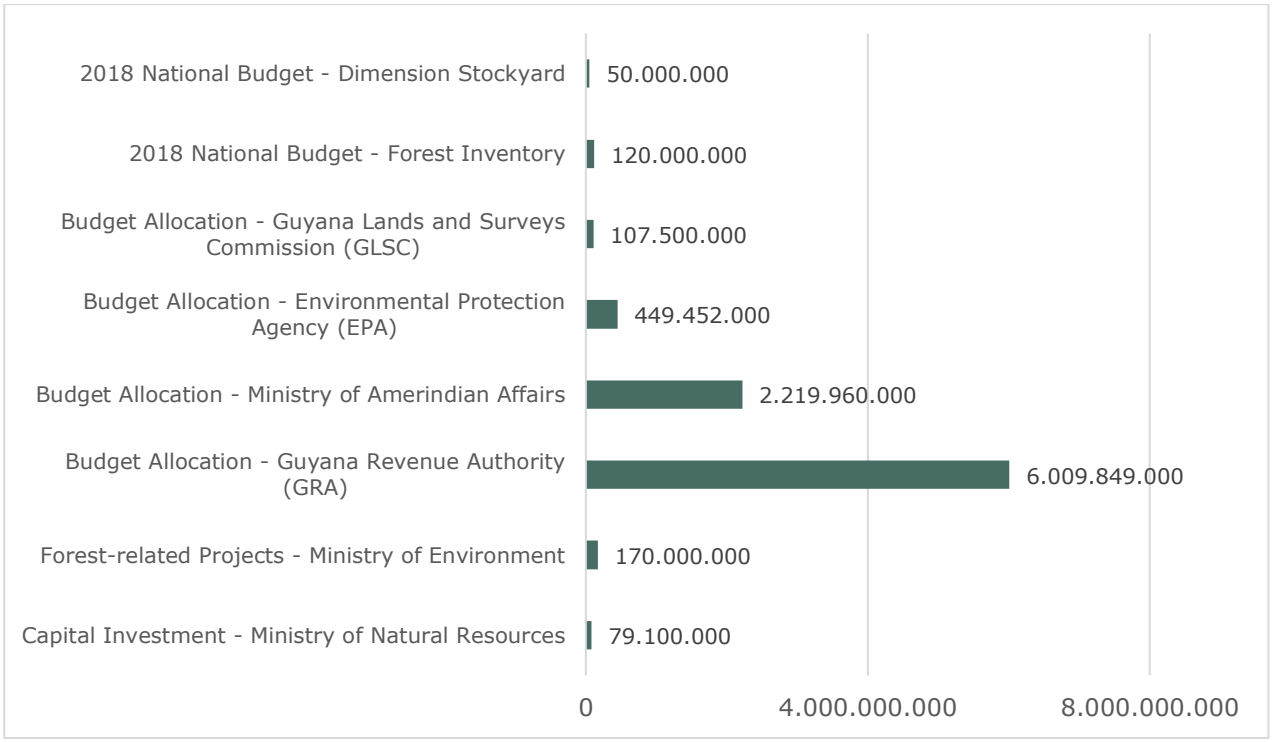
4.3.2. Public investment in the forest sector and in GTLAS agencies

According to Ministry of Finance estimated budget for ministries and projects, in 2018, capital investments in the Ministry of Natural Resources amounted to 79.1 million GYD, covering equipment such as vehicles and boats, which are essential for natural resource management and field operations. Additionally, 170 million GYD was allocated to forest-related projects, including the Forest Carbon Partnership Project and the Forest Inventory Study, both led by the Ministry of Environment. However, there is a lack of disaggregated data on public infrastructure investments that indirectly contribute to forestry, such as roads and manufacturing, limiting a comprehensive assessment of state support.

The GTLAS agencies received varying budget allocations in 2018, with notable figures including 6.01 billion GYD for the GRA, 2.22 billion GYD for the Ministry of Amerindian Affairs, 449.45 million GYD for the EPA, and 107.5 million GYD for the GLSC as shown in the figure below. The GFC operates primarily as a self-financing semi-autonomous agency, which explains its absence from the national budget. Established to oversee the sustainable management of Guyana's forest resources, the GFC generates its own revenue (see previous indicator). In addition to its internally generated funds, the GFC benefits from external financial support. In 2018, the GFC sought to enhance its financial resources by proposing a US$10 million revolving fund using funds earned from conservation efforts (such as Norway funds) aimed at supporting small loggers in transitioning to value-added production (but this fund was implemented only in recent years) (Chabrol, 2018).

Additionally, the 2018 National Budget introduced several measures to support the government's green agenda and improve various sectors. Notably, $120 million GYD was allocated to commence a forest inventory, and $50 million GYD was designated for the establishment of a dimension stockyard (Newsroom Guy, 2017). These allocations reflect the government's commitment to sustainable forest management and the development of value-added production in the forestry sector.

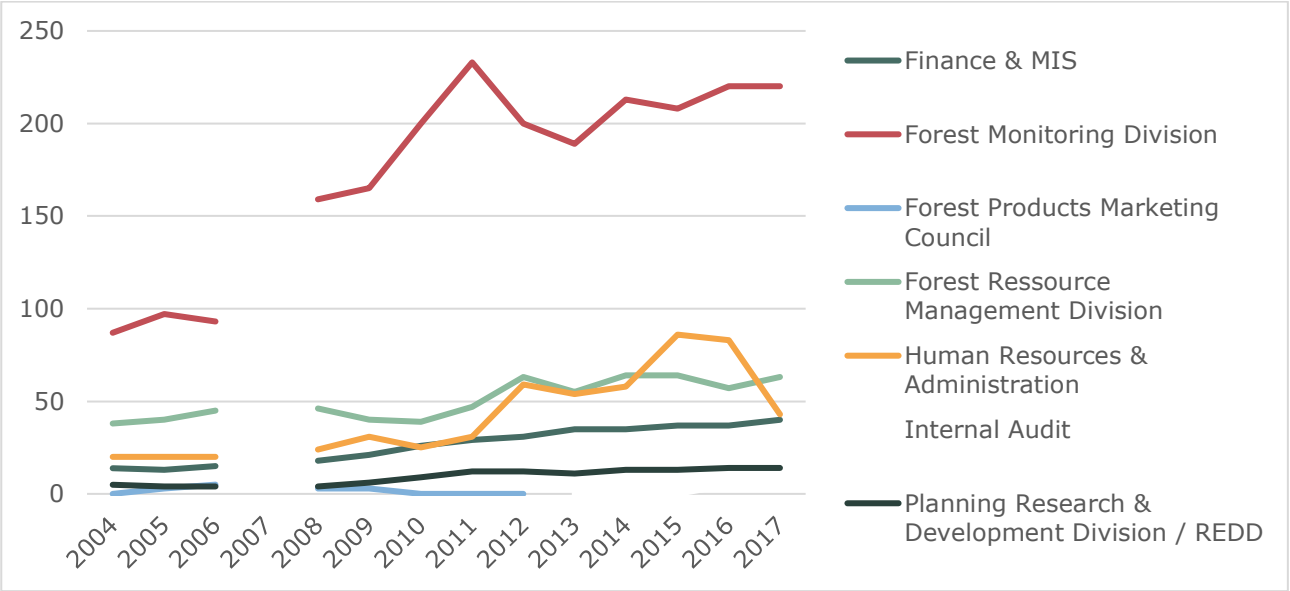
FIGURE 43. PUBLIC INVESTMENTS IN FOREST SECTOR AND GTLAS AGENCIES FOR YEAR 2018 (GYD) – (SOURCE: NATIONAL BUDGET ESTIMATION FROM MINISTRY OF FINANCE 2018 VOLUME 1)



4.3.3. Number of staff in relevant public entities (GFC, EPA) dedicated to promoting and verifying legal compliance[57]

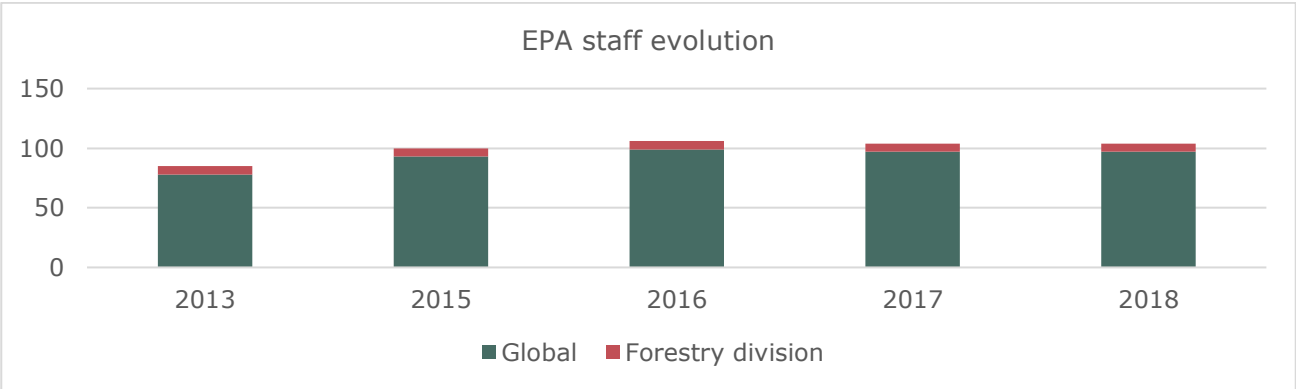
For the GFC, the reports offer disaggregated data by division, allowing us to consider the staff of the Forest Monitoring Division—comprising professionals based at headquarters but primarily field officers stationed across forest stations who support FSOs and carry out compliance inspections. We should also include the staff of the FLEGT Secretariat created in 2012, although this unit does not appear clearly as a distinct division in the annual report. Regarding the EPA, the annual reports provided the overall number of staff within the agency. Complementary information from interviews with EPA representatives indicated that, since 2012, seven staff members have been permanently and fully assigned to forestry-related topics. They also noted that this number has remained stable over time and that compliance issues sometimes involve other divisions, such as water management.

FIGURE 44. GFC STAFF EVOLUTION BETWEEN 2004 AND 2017[58] (SOURCE: GFC ANNUAL REPORTS)



GFC's Forest Monitoring Division consistently had the highest number of staff throughout the period, peaking in 2012 with nearly 240 personnel before declining slightly and stabilizing around 200 by 2017. This confirms the central operational role of this division, likely due to its responsibilities for field inspections, forest station staffing, and compliance monitoring.

FIGURE 45. EPA STAFF EVOLUTION BETWEEN 2013 AND 2018 (SOURCE: EPA ANNUAL REPORTS AND INTERVIEW)



[57] The staff dedication mentioned in this indicator means every staff that has in their regular tasks oriented to promoting and/or verifying legal compliance of FSOs.

[58] 2007 GFC annual report was not available online.

Total EPA's staff numbers increased from about 85 in 2013 to slightly over 100 in 2016, then remained relatively stable through 2018. This suggests a modest institutional expansion over the period. The forestry division staff remained very limited in comparison to total staffing, consistently representing only a small fraction of total staff. This stable but small forestry team highlights the limited internal EPA capacity specifically dedicated to forestry.

4.3.4. Number of days to obtain authorizations and licensing from relevant public entities (GFC and EPA)

Delays to obtain licenses and authorizations were identified as a critical element during the design phase of the VPA IMF. Although national regulations define maximum timelines, the reality often differs. Through interviews with FSOs, we collected concrete, first-hand accounts highlighting licensing delays and procedural challenges encountered in practice.

The analysis of forestry sector permitting highlights significant regional disparities in processing times across agencies and operator types. Region 10 stands out as the most efficient, with GFC approvals averaging just 24 days and no EPA permits required for the FSOs operating there, which are predominantly small and Amerindian. In contrast, Region 4 presents a severe bottleneck on the EPA side, with one recorded case taking 180 days, suggesting bureaucratic inefficiencies or environmental issue linked to requesting operator. Region 2 offers a mixed picture: EPA approvals are consistently fast (30 days), but Amerindian Operators face prolonged delays from the GFC—up to 90 days—while large operators experience a reliable 30-day turnaround from both agencies, indicating a possible disparity in prioritization. Region 3 is characterized by procedural predictability, with GFC permits processed in exactly 30 days and EPA approvals averaging 39 days, offering relative stability for its mainly medium-sized operators.

TABLE 24. INDICATORS 4.3. PUBLIC INSTITUTIONS PERFORMANCE

Indicators	Data source(s)	Baseline value (2018)
4.3.1. Public revenues generated by the forest sector	2021 GEITI reports on 2018 fiscal year	All public revenues (GRA, GFC, EPA): 1.390.508.759 GYD
4.3.2. Public investment in forest sector and in GTLAS agencies	2018 Volume 1 Ministry of Finance - Annual Budget estimate	Forest sector: 249.100.000 GYD No specific information for GTLAS agencies
4.3.3. Number of staff in relevant public entities (GFC, EPA) dedicated to promoting and verifying legal compliance[59]	GFC annual reports EPA annual reports	GFC: 220 staff in FMD, 1 (at least) in FLEGT Secretariat EPA : 7 staff in the forestry division among 97 staff in total
4.3.4. Number of days to obtain authorizations and licensing from relevant public entities (GFC and EPA)	FSOs interviews	GFC: 31,5 days in average EPA: 83 days in average

Key findings:

- **Guyana's forest sector is a significant contributor to public revenue**, particularly through GFC-managed export commissions and GRA trade-related taxes. The total revenue from the forestry sector in 2018 was 1,39 million GYD, with GFC contributing 81%, GRA 18%, and EPA less than 1%. GFC's primary revenue source (48.06%) comes from export commissions, highlighting the sector's dependence on international trade. GRA's revenue structure is dominated by customs duties, individual and corporate taxes, and VAT, reflecting the role of taxation in forestry sector

[59] The staff dedication mentioned in this indicator means every staff that has in their regular tasks an orientation to promoting and/or verifying legal compliance of FSOs.

contributions. EPA's revenue is mainly from construction permit fees (95.74%), indicating its regulatory focus on project approvals rather than ongoing compliance fees. The revenue structure suggests a **strong reliance on exports and trade-related taxes**, making **the public sector vulnerable to market fluctuations**.

- **Public investment and institutional capacity remained relatively modest**. Public investment in the forestry sector totalled 249.1 million GYD, covering capital expenditures and forestry-related projects. Key allocations included: 79.1 million GYD for equipment purchases (vehicles, boats) under the Ministry of Natural Resources, 170 million GYD for forest-related projects, including the Forest Carbon Partnership Project and the Forest Inventory Study under the Ministry of Environment.
- **The GFC's Forest Monitoring Division consistently had the largest staff**, with about 200 personnel by 2017, highlighting its operational importance in field-based monitoring and compliance. The FLEGT Secretariat, created in 2012, is part of the GFC but is not clearly disaggregated in staffing data.
- The EPA saw **modest growth in overall staff** (from ~85 in 2013 to ~100 in 2016–2018), but **only 7 staff members were fully dedicated to forestry issues**, indicating limited institutional capacity for forestry-specific oversight.

D.5.4. Sub-impact area 4.4. Collaboration with international institutions

Before 2010, Guyana's international collaboration in the forest sector faced significant challenges related to market trust, governance transparency, and legality verification. While Guyana had longstanding trade relations in the timber sector, particularly with the UK, EU, and Asia, it lacked structured agreements to demonstrate compliance with international legality and sustainability standards. First, there was no independent legality verification system in place to assure buyers of the legal origin of Guyanese timber. This created distrust in certain regulated markets (e.g., the EU and North America), where stricter timber legality requirements were being enforced. Although Guyana maintained low deforestation rates, there were concerns from international buyers about the transparency and enforcement of forestry regulations (Forest Sector Advisory Services , 2015). Countries with strict timber procurement policies preferred wood from certified sources, which Guyana lacked at the time. One major issue was that Guyanese greenheart timber, traditionally used for marine construction, was excluded from UK government timber procurement programs due to the absence of independent certification (e.g., FSC - Forest Stewardship Council). Many developed countries prioritized timber from FSC-certified sources, while Guyana's timber was mainly unverified or company-certified. This made it less competitive in premium markets (ITTO and GFC, 2013). Due to these restrictions, Guyana's timber exports were more reliant on markets in Asia and the Caribbean, where legality and sustainability requirements were less stringent. Then, the country had no access to large-scale performance-based forest conservation funding before signing the Guyana-Norway Agreement (2009), which became its first major REDD+ funding partnership.

Between 2010 and 2018, Guyana's entry into the VPA process enhanced international collaboration in several keyways, particularly by strengthening ties with international institutions, donor countries, and global markets. The country sought to strengthen its legality frameworks, reduce deforestation, and improve access to regulated international markets through partnerships with the European Union, Norway, and global forest-related institutions. Below are key developments in this evolution[60]:

- **Engagement with global trade and certification initiatives and growing alignment with international legality standards**

1994: Guyana became a full member of ITTO after signing the International Tropical Timber Agreement (ITTA) to align its forestry policies with global timber trade best practices. ITTO provided technical assistance and policy support to help Guyana align its forestry policies with global timber trade best practices.

2006-2010: Discussions on adopting Forest Stewardship Council (FSC) certification gained momentum, but large-scale implementation remained limited.

2010-2015: Guyana developed and piloted timber tracking and traceability systems as part of its commitment to sustainable timber exports to facilitate access to high-value timber markets in Europe and

[60] https://euflegt.gov.gy/

North America. Guyana formally started working on TLAS in 2012 as part of VPA negotiations with the EU which were crucial for maintaining credibility in regulated international markets.

2016-2018: Continued voluntary certification efforts for select forest concessions, but full-scale FSC certification adoption remained a challenge due to cost and compliance concerns from industry stakeholders.

- **Climate and forest protection collaboration with Norway[61] and progressive recognition of Guyana as a climate-resilient economy**

2009: Guyana signed a landmark agreement with Norway, securing up to $250 million in performance-based payments under the REDD+ framework. This agreement aimed to incentivize forest conservation while allowing Guyana to maintain sustainable forestry activities (Butler, 2010). The EU FLEGT VPA process was identified as a complementary, "REDD+ enabling" instrument, with both initiatives contributing to strengthening forest governance, legality assurance, and transparency frameworks.

2010-2015: Norway's funding helped improve forest monitoring systems, governance, and institutional capacity, supporting Guyana's ability to meet international standards for sustainable forest management (Word Bank Group, 2010).

2016-2018: Challenges in the implementation of REDD+ strategies slowed funding disbursement, but the collaboration reinforced Guyana's international reputation as a responsible forestry nation and positioned it as a potential supplier of carbon credits to global markets. Over this period, the relationship between REDD+ and the FLEGT VPA became more explicit, with the VPA contributing to governance reforms (e.g. legality definition, multi-stakeholder engagement, monitoring systems) that support REDD+ objectives, without constituting a direct causal pathway.

Guyana has placed a strong emphasis on reshaping its global image by highlighting its efficient forest management and low deforestation rates. Advocacy efforts from the government, private sector, and civil society are crucial in ensuring accurate representation of Guyana's sustainable forestry practices in international markets (Guyana Forestry Commission, 2016). Guyana strategically integrated the EU FLEGT VPA into its REDD+ governance framework, recognizing its role in forest governance and climate commitments. Since 2015, the Intended Nationally Determined Contribution (INDC) mainstreams FLEGT VPA as a REDD+ strategy. As such, strengthening synergies with Independent Forest Monitoring (IFM) and other REDD+ initiatives were crucial in advancing Guyana's forest governance agenda. In the final phase before full FLEGT implementation, Guyana has prioritized three governance-focused activities: initialling the FLEGT VPA, seeking candidacy under the EITI), and advancing indigenous peoples' engagement in forest governance. However, despite Guyana's progress, the timber sector still faced significant challenges in international markets in 2016 (strict environmental accreditation, legal exports restrictions on certain species, among others).

TABLE 1. INDICATOR 4.4. COLLABORATION WITH INTERNATIONAL INSTITUTIONS

Indicators	Data source(s)	Baseline value (2018)
4.4.1. Description of how the VPA creates a pathway for accessing new markets and new international collaboration agreements	Press articles (World Bank, Mongabay, Rceuters among others) Websites of international organizations (Timber Trade Portal, IICA, EU FLEGT VPA among others) International seminar report, GFC, 2016	The VPA allowed Guyana to: - Strengthen bilateral engagement with the European Union - Align with global timber trade and certification initiatives - Engage with international development partners - Adress market perception and advocacy efforts

In a nutshell, entering the VPA process allowed Guyana to:

- **Strengthen bilateral engagement with the European Union**. The VPA process formalized Guyana's partnership with the EU, aligning the country's forest governance with European market

[61] https://lcds.gov.gy/guyana-norway-partnership

requirements. It facilitated technical and financial support from the EU to improve timber legality assurance systems and strengthen enforcement mechanisms. The negotiations provided a platform for policy dialogue, helping Guyana address concerns about the recognition of its timber in the EU market.

- **Align with global timber trade and certification initiatives**. Through the ITTO, Guyana improved timber traceability and discussed voluntary sustainability certifications (e.g., FSC) to enhance market access. Collaboration with FAO and ITTO supported the development of TLAS, which were crucial for meeting international trade standards. The process helped Guyana demonstrate its commitment to sustainable forestry, reinforcing its credibility in Europe and North America's high-value timber markets.
- **Engage with international development partners**. The VPA process involved collaboration with organizations such as the World Bank's FCPF (Forest Carbon Partnership Facility), the UN-REDD Programme, and bilateral donors supporting governance reforms. International partners contributed to capacity-building programs for FSOs, regulators, and indigenous communities. The process encouraged regional dialogue, allowing Guyana to share experiences with other VPA countries like Ghana, Indonesia, and Cameroon.
- **Adress market perception and advocacy efforts**. A significant focus was placed on changing the global perception of Guyanese timber, particularly addressing issues related to greenheart acceptance in the UK market. The government, private sector, and civil society engaged in advocacy efforts to promote Guyana's low deforestation rate and sustainable forest management. Guyana pursued policy alignment with emerging international market requirements, preparing its timber sector for stricter trade regulations like the EU Timber Regulation (EUTR)[62].

E. Conclusion

Before 2018, Guyana's forest sector stood as a pillar of rural livelihoods and national identity, but it faced persistent challenges related to governance, employment conditions, and environmental sustainability. Although it had once contributed significantly to national GDP, its share had dropped below 2% from 2016 onward — reflecting a decade of fluctuating markets, and the repossession of several large-scale concessions. The forest industry remained heavily export-oriented, with raw logs accounting for the majority of earnings. Yet this model yielded diminishing returns: logs fetched low unit values, and nearly 82% of large timber concessions were under the control of foreign firms, mostly from China, Malaysia, and India. Chinese demand in particular drove expansion in the early 2010s, with China, India, and the U.S. emerging as key destinations for Guyanese timber. Policy measures such as the removal of VAT on forest products and the introduction of tariffs on imported pine sought to encourage domestic processing, but their effects remained uneven, especially for smaller operators lacking capital or infrastructure.

In 2018, Public revenue from forestry relied on timber royalties, export levies, acreage fees, and licenses. But the sector's dependence on unprocessed exports weakened fiscal performance, and high levels of informality meant that large volumes of economic activity went untaxed. Value-added transformation—such as kiln drying, furniture making, or engineered wood production—remained rare and geographically concentrated near urban centers.

Despite this economic volatility, Guyana made tangible progress in forest conservation. Forestry-related deforestation had been significantly reduced—from 28.6% in the 1990s to between 2% and 4% by 2018—largely due to the adoption of reduced-impact logging and stronger management oversight. However, total national deforestation remained steady due to expanding mining, infrastructure, and agricultural activities. Logging-related CO_2 emissions also showed a downward trend, although forests continued to release carbon, especially from roads, skid trails, and degraded stands. Environmental complaints from Indigenous communities reflected deeper tensions around land use: pollution, unapproved activities, and unclear tenure arrangements were reported in multiple hinterland areas.

Employment in the sector was substantial yet shaped by precariousness. An estimated 49,100 workers were active in forestry and downstream processing in 2018, but informality was widespread—nearly 60% of the workforce operated outside formal labour systems. About 30% were self-employed, especially among small-scale loggers and members of community forest associations. Gender disparities were pronounced:

[62] https://www.timbertradeportal.com/

women made up just 12% of the workforce and earned significantly less than men despite being more likely to hold permanent positions (84% for women compared to 75% for men). Access to social protection was also limited. Few small and Indigenous FSOs contributed consistently to the National Insurance Scheme or to Pay As You Earn tax obligations, resulting in systemic gaps in formalization, taxation, and worker coverage. Among small and remote operators, even registering a single worker often required four or five visits to urban offices—rendering compliance logistically and financially burdensome.

Governance frameworks were in place, but implementation and oversight capacity were stretched thin. The GFC conducted regular inspections—often monthly—and had around 70 staff members dedicated to legal verification and monitoring. Less than 1% of forest workers received training on administrative obligations or record keeping annually, and only a small share of forest sector entities met full compliance with forest management planning, environmental permits, or social security regulations. Late submission of permits was the most frequent infraction, with more than 500 instances recorded in 2018 alone.

Before the launch of the VPA process in 2012, consultations were sporadic, mostly occurring through institutional committees or local project meetings. Indigenous communities and small-scale FSOs were rarely meaningfully included in decision-making. Information on concession allocations, infractions, or export volumes was not systematically disclosed. Grievance mechanisms were virtually non-existent, with no centralized process to track complaints or disputes in the forest sector. The launch of the VPA process in 2012 marked a pivotal moment. It brought structure to consultations, raised the profile of legality assurance, and set the stage for integrating Guyana into regulated global timber markets. While deep-rooted challenges persisted—informality, exclusion, and weak enforcement—the VPA process began to bridge gaps between public authorities, private operators, Indigenous organizations, and civil society. It also encouraged institutional reforms, such as the creation of the FLEGT Secretariat and improved coordination between the GFC, EPA, and other regulatory bodies. Entering the VPA process was more than a policy gesture—it was a turning point toward accountability, transparency, and equity in the forest sector.

By 2018, Guyana's forestry sector was at a crossroads. It remained a cornerstone of economic survival for thousands and a critical component of national land use and climate strategy. But it also bore the marks of fragmentation, informality, and weak institutional reach. This baseline captures the forest sector as it stood at that moment—its structure, its struggles, and its strengths. It offers a reference point for VPA stakeholders to monitor future impacts, refine policies, and hold institutions accountable as Guyana moves forward on the path to sustainable and inclusive forest governance.

F. Annexes

F.1. Annex 1

TABLE 25. TERMINOLOGY CORRESPONDANCE BETWEEN VPA AND FOREST SECTOR INFORMATION REPORT

FLEGT VPA terminologies	GFC FSIR terminologies
Large concessions	**Timber Sales Agreement**: A long-term (usually 25 years) forest concession granted to companies for large-scale commercial logging operations. **State Forest Exploratory Permit**: A temporary permit allowing for feasibility studies, environmental assessments, and resource evaluations before a company applies for a Timber Sales Agreement. **Wood Cutting Lease**: A medium-term forest concession (typically 3–10 years) granted for timber harvesting, often on a smaller scale than a TSA.
Small concessions	**State Forest Permission**: A short-term (typically up to 2 years) permit granted for small-scale logging operations, often issued to individuals or small enterprises. **Community Forest Management Agreement**: A legal agreement that allows community groups to manage and utilize forest resources sustainably within a designated area, promoting local livelihoods and responsible forestry practices.
Amerindian Villages engaged in timber harvesting	**Amerindian Villages**: These are Indigenous communities that have legal rights over their titled lands, including the management and use of forest resources. Amerindian villages may engage in forestry activities under their own governance structures, in accordance with the Amerindian Act and other relevant regulations.
Private Landowners engaged in timber harvesting	*No information was available on this particular type of FSOs*
Holder of mining permit, lease or infrastructure approval on state lands in conversion	**State Forest Authorization**-Agricultural conversion *No clear information is available on linkage between forest and mining permit. Major part of SFP is localized in Mining interest areas which underline that a major part of SFP might be considered as state land in conversion.*
Operator engaged in processing and/or domestic sale of timber products	**Sawmills**: Facilities equipped with machinery to process logs into lumber and other wood products. **Sawpits**: Traditional setups where logs are manually sawn into planks, typically involving a pit over which the log is positioned. **Permit to erect sawmills**: Official authorization required to construct and operate a sawmill facility. **Lumberyard**: Designated areas where processed lumber is stored, displayed, and sold. **Timber dealer no storage**: Entities licensed to buy and sell timber products without maintaining storage facilities. **Timber path dealer**: Individual or companies engaged in trade, transportation, or processing of timber products
Exporter and/or importer of timber products	**Import**: Licensed individuals or companies allowed to import timber products into Guyana **Timber dealer Export** : Licensed individuals or companies authorized to export timber products from Guyana.
Others ***Firewood and Charcoal have not been included in the previous FSO categories as no information were available to affect and lined them to specific FSO category***	**Firewood licence**: Authorization permitting the collection and sale of firewood. **Charcoal Licences**: Permits issued for the production and sale of charcoal.

F.2. Annexe 2. Bibliography (apart from national and international databases)

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F.3. Additional Annexes

3. Metadata
4. Data sources availability by indicators