



GUYANA FORESTRY COMMISSION

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Mr John C. Cannon
Correspondent
Mongabay.com

Dear Mr. Cannon,

The Guyana Forestry Commission (GFC) refers to your article in the Tuesday 13-1-2015 edition of Kaieteur News under the caption: “Chinese logging company takes over Guyana’s forests”.

GFC, as the Government of Guyana Agency responsible for the sustainable management of the state forest informs you and the general public that this article is riddled with false accusations and misinformation; to ensure that stakeholders are provided with the undisputable facts, GFC is compelled to respond to this unprofessional article.

Firstly, GFC asserts that there is no circumventing of Guyana’s logging laws by any logging company, or any other forestry sector based company. The GFC has very robust and functional systems, procedures and guidelines which all forest sector companies are audited against; if there are any breaches to these, appropriate action is taken based on the findings of a thorough investigation and in accordance with the forest law.

The statement therefore that “... foreign corporations and Government officials are paying lip service to the accords...” is simply ridiculous and is not based on any factual evidence. Even more alarming is the suggestion by Palmer in this article that “...companies like Bai Shan Lin likely pay bribes to key members of the country’s government to turn a blind eye to violations”. This malicious statement is unsurprisingly, not supported by one shred of evidence.

Another incorrect assertion is the pronouncement that “The Chinese Company Bai Shan Lin now controls about 1.4 million hectares in Guyana”. The undisputed and well publicized fact is that BSL has legal access to 627,072 ha as shown below:

- **344,849 ha as State Forest Exploratory Permits (SFEP’s)** - an Environmental and Social Impact Assessment (ESIA); a Forest Inventory (FI), and a Business Plan have to be submitted to the satisfaction of the Environmental Protection Agency (EPA) and GFC before a Timber Sales Agreement (TSA) is granted which allows for full scale harvesting in accordance with GFC guidelines is approved
- **274,053 ha as Timber Sales Agreement -Joint Venture Agreements**
- **8,170 ha as State Forest Permissions**

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Palmer's claims that Bai Shan Lin has "dubiously" acquired permits or rights to harvest timber in Guyana are simply therefore, another atrocious falsehood.

His allegation that BSL has opted for joint "venture agreements" (JV) with other companies to circumvent the GFC requirements is also without merit.

GFC Board of Directors as part of its work plan holds regular meetings with stakeholder groups across the country. At these meetings, one of the major stakeholder concerns was the inadequate capacity of concessionaires (mainly locals) to beneficially occupy areas and produce sufficient quantities of logs/lumber for the local construction industry, as well as for the local added value manufacturers, and for export. The main constraints documented by these logging companies were a lack of appropriate machinery/equipment, and adequate financing.

The Concessionaires themselves proposed two short term measures to address this, namely:

- GFC to allow joint venture arrangements after the requisite due diligence was done, and GFC was satisfied that the JV had merit
- GFC to allow companies that lacked adequate and/or appropriate machinery to rent same from third parties in a structured and properly monitored/regulated manner.

Based on these requests by the sector; the need to improve log/lumber/added value production, and generate additional employment opportunities, and being assured by the GFC that its monitoring systems would ensure that the allowable harvest levels would not be exceeded, the GFC Board approved both requests.

GFC has since facilitated both requests in accordance with the legislation and a very transparent and organized procedure.

For example, it was collaboratively agreed (stakeholders/GFC/ GFC Board) that the procedure for the review of joint venture requests would be as follows:

- A request to enter into a joint venture arrangement needs to be made by the company/individual that has legal access to state forest
- A thorough background assessment would be done on the company that is seeking to joint venture with the one that has the legal access to the forested land
- This assessment would be used to guide the GFC in making its recommendations to the GFC Board Technical Sub-Committee
- The GFC Technical Sub-Committee after their review would submit a recommendation to the GFC Board of Directors.
- The GFC Board then makes its recommendation as to whether to approve/disapprove the joint venture.

This is in keeping with Section 16 of the Forests Act 2009.

BSL has entered into approved JV's following this process, contrary to the "landlording" and "dubiously" acquired permits" assertion by Palmer.

The Government of Guyana and the GFC have always emphasized the need to reduce log exports and maximize the in-country manufacture of value added forest products. However,

when the National Log Export Policy was being formulated, stakeholders stoutly resisted the GFC's position to ban the export of logs.

They opted instead for a graduated increase in the export commission on log exports. Log exports are legitimately done in accordance with this policy.

Nevertheless, the GFC has impressed upon Bai Shan Lin and all other foreign and local companies, the need to accelerate meeting their stated commitments re the manufacture of added value forest products. In this regard, work will re-commence very shortly on the construction of the wood processing plant of Bai Shan Lin.

The article also refers to the potential destructive activities that may be caused by the opening up of new roads. It is very hypocritical for persons to try to stifle the much regulated and environmentally conscious forest development in Guyana, yet when requested to offer economic alternatives to forest utilization, very limited support is offered.

Guyana, however, with the support of progressive thinking partners such as the Kingdom of Norway, has shown that it is possible to have sustainable forest utilization along a low carbon development pathway. Under this pioneering partnership, Guyana is still able to pursue regulated forestry, mining and other forest based activities and still have a deforestation rate that in 2013 was calculated using national level 5 m satellite resolution at 0.068 %.

This is testimony to the fact that our systems for sustainable forest utilization are appropriate, robust and functioning; this has also been field verified by the numerous transparent and independent audits that have been done for the forestry sector in Guyana.

The article also alludes that GFC is taking a back seat in these matters; this is bordering on the ridiculous since the GFC takes its mandate of "ensuring sustainable forestry" very seriously; something that is recognized not only nationally, but regionally and globally.

GFC would again appeal to stakeholders, especially those in the public media, to verify the facts before publicizing erroneous information.

GFC also invites you and any other interested person(s) to visit the GFC, and the forest/logging operations to see for yourself that GFC and Guyana are practicing sustainable forest management on the ground, in a very transparent and collaborative manner with our direct and indirect stakeholders.

**Yours sincerely,
Guyana Forestry Commission**



**James Singh
Commissioner of Forests**