



PROJECT COMPLETION REPORT

of

ITTO project Number – PD 687/13 Rev.1 (I)

Strengthening the performance of the Wood Processing Sector in Guyana, through Building Local Capacity and Enhancing National Systems that promote forest product trade and sustainable utilization of forest resources.

Host Government: Government of Guyana

**Executing Agency: Guyana Forestry Commission (GFC)
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Project Information:

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Foreword

Over the past 10 years, the forest sector in Guyana has, by and large, concentrated on primary production, with very little emphasis on downstream value-adding. This has been due, in large measure, to the lack of industry capacity to move down the value adding chain. A comprehensive and integrated programme for the wood processing sector of Guyana is essential for the efficient and sustainable utilization of forest resources.

The Government of Guyana has embarked on a Low-Carbon Development Strategy (LCDS), where it is promoting increased processing and value-added production from its forest resources as the means to obtain greater benefits from utilization of the nation's forest resources, and at the same time reduce deforestation and forest degradation. This focus of the Government is detailed in many policy documents produced by the Government of Guyana namely: The Low Carbon Development Strategy, Forest Act of 2009, National Forest Policy Statement of 2011 and National; Forest Plan of 2011 and is enhanced through the development of a Code of Practice for Wood Processing (Sawmills and Lumberyards) under a GFC/ITTO project: PD 513/08 (Rev.1 (I), titled "*Enhancing the capacity of the wood processing sector to improve efficiency and add value in Guyana*"

Guyana's wood processing sector's capacity to produce quality products needs strengthening, for increased efficiency and sustainable utilization of forest resources to be achieved. Enhanced capacity building and supporting policies along the industry value chain will encourage more efficient economic and sustainable utilization of the forest resource, thereby reducing wastage, pressure on the environment, whilst maximizing the market potential of Guyana's wood products. This project has served to build the capacity of stakeholders (Management, Operators and Regulators) within the sector to improve sustainability, efficiency and competitiveness, and enhance the national system for inspection and certification that will facilitate local sale and export of lumber.

The project's development objective is to "*contribute to the enhancement of the efficiency and competitiveness of Guyana's wood processing sector as a means for sustainable utilization of timber resources and national development*". The Specific Objective is to: "*strengthen the performance of the wood processing sector through building local capacity and enhancing national system that will promote and facilitate efficient trade and utilization of lumber for local and export markets*". Among the main outcomes of the project are: trained personnel operating within wood processing operations. (Management, Supervisors, Operators, and Regulators), report on a National system for local and export trade of lumber that is supported through a reviewed Guyana Timber Grading rules, and quality/dimensional standards for lumber to be used in the construction sector, and awareness increase for persons using lumber (Contractors, Architect, Value-Added Operations).

This completion report details the outcomes, outputs and activities of a collaborative project between the Government of Guyana and the International Tropical Timber Organization (ITTO), and the major donors being the Government of Japan and the United States, that was focused on: **Strengthening the performance of the Wood Processing Sector in Guyana, through Building Local Capacity and Enhancing National Systems that promote forest product trade and sustainable utilization of forest resources.**

Executive summary

Project PD 687/13 Rev.1 (I) has strengthened Guyana's forest sector along a higher level of sustainability and competitiveness and is now better able to utilize forest resources efficiently along the industry value chain. This has been facilitated through the training and capacity building activities of the project as well as the development of key guidelines for timber grading and exports. Consumers/users of value-added wood and those in the building and construction sector have also been sensitized about the efficient use of wood, and hence are better able to make more informed wood purchasing decisions.

The project's development objective was to "to contribute to the enhancement of the efficiency and competitiveness of Guyana's wood processing sector as a means for sustainable utilization of timber resources and national development". Its specific objective was to "to strengthen the performance of the wood processing sector through building local capacity and enhancing national systems that will promote and facilitate efficient trade and utilization of lumber for both local and export markets", and it had three main outputs:

- Trained personnel operating within wood processing operations. (Management, Supervisors, Operators, and Regulators).
- Report on a National system for local and export trade of lumber that is supported through a reviewed Guyana Timber Grading rules, and quality/dimensional standards for lumber to be used in the construction sector.
- Awareness increase for persons using lumber (Contractors, Architect, Value-Added Operations).

One of the main outputs of the ITTO project the conducting of training and awareness building session with some 320 persons from the sector would have received training and /or awareness building in relation to wood processing through 17 cluster sessions held in timber producing districts all across Guyana. One of the project's main technical deliverables was the completion of two key reports: the first on a Review of the present system of trade in lumber and the second, on a revised Timber Grading Rules for Guyana.

The first report covered three key areas:

- System for inspection, certification and trade of lumber
- Review of regulatory requirements for export of lumber
- Recommendations for a national system

The second report, which is the revised Timber Grading Rules for Guyana covers areas that are reflective of international requirements for timber grading and a general updating based on local developments. Timber grading is fundamentally a marketing tool that ensures that the buyer knows the quality and specifications they can expect and the seller knows what to supply. Grading can be done either by visual assessment – based on certain size characteristics and occurrence of visual defects such as knots – or by machine grading which is used to test timber strength. This revision has been very timely and much needed for Guyana and it simplifies the grading rules to make them easier to follow and apply for graders, exporters and buyers; and it allows for greater synergies with major international rules, especially those in the US, the EU and the Caribbean.

In sum, Project PD 687/13 Rev.1 (I) has been successful in assisting the Guyana's wood processing sub sector of the forestry industry to operate in a more structured and efficient manner. This has in turn helped in the effective implementation of policy, and the targeting of goals for the forest sector which can be executed in a more effective way and in keeping with the policies of the Government.

1. Project Identification

1.1 Project Context

Sustainable development, by definition implies a management and utilization ethos which aims to utilize a nation's natural resources for socio-economic development without limiting the ability of future generations to similarly benefit from these natural assets. Achieving sustainable development in the forest products sector therefore involves sustainable, efficient and effective use of the nation's forest resources. The reported average recovery rate in Guyana's sawmills ranges between 30 and 40%. This compares with more than 60% in some tropical timber producing countries such as Malaysia.

This need for increased efficiency and sustainable utilization of forest resources through a viable and competitive wood processing sector in Guyana has been recognized in several strategic documents, such as the National Competitiveness Strategy (NCS), National Forest Policy Statement, National Forest Plan and the Low Carbon Development Strategy (LCDS).

These documents identify the need to address the pressing issues of capacity building at various level of the supply chain, to ensure effective and efficient utilization of the country's forest resources. However, the main focus as at the end of 2011 was on promoting sustainable forest management practices to concessionaires based on the Code of Practice for Timber Harvesting. There is the need now for training in areas of forest processing, overall forest operations management, and the Code of Practice for Wood Processing, as well as export requirements for timber grading.

1.2 Origin and Problem

During the period April 2010 to April 2012, the Guyana Forestry Commission (GFC) collaborated with the International Tropical Timber Organization (ITTO) in implementing Project #: PD 513/08 (Rev.1 (I)), titled "**Enhancing the capacity of the wood processing sector to improve efficiency and add value in Guyana**". The deliverables of this project were: a Code of Practice for Wood Processing Operations (Sawmill and Lumberyards), a Capacity Building Strategic Plan for the sector, a Document identifying relevant Policies that are needed to support improvement within the sector, Training manuals for Managers/Supervisors/Operators and the establishment of a Community Wood Processing Facility to be used for training and serve as a model for other associations/communities to follow.

The outcomes from this project has resulted in improved recovery of value and increased competitiveness for wood processing operations whose personnel were exposed to training and are conforming to the practices prescribed in the Code. However, the average recovery rate in Guyana's sawmills continues to ranges between 30 and 40% as compared to more than 60% in some tropical timber producing countries such as Malaysia. This improvement in competitiveness achieved by some companies within the industry could not be experienced throughout the sector for the primary wood processing sector of Guyana because of the industry's size. As of June 2012, the industry consisted of 182 sawmills and 200 lumberyards, and employs some 5,140 persons.

During the implementation phase, stakeholders of the sector identified the following problems that need to be addressed to facilitate a competitive primary wood processing sector.

- I. The number one problem identified is the low level of competency of personnel operating at management levels, supervisory and operations, which results in poor decision making and inefficient operation.
- II. Poor quality products and inefficiencies in processing and drying operations which results in: wastage, higher cost of production and reduced competitiveness when compared to substitute products.
- III. The following needs to be done to regularize the trade of lumber.
 - a) The users need to be educated/sensitized on how to efficiently use wood and make informed decision when purchasing lumber
 - b) Review of the national Timber Grading rules
 - c) Dimension Standards, which are aligned to building codes need to be developed to guide users
 - d) Establishment of National system for the inspection and certification of lumber for local and export market.
 - e) Stronger enforcement of regulations for trade of lumber
- I. Lumber for construction use and for value-added operations need to be differentiating to promote more efficient utilization of lumber locally.
 - a) Certifying construction lumber to quality and dimensional standards, and
 - b) Sale of lumber for value-added operation in random lengths and widths (no need for certification).

This project will serve as a continuation or phase 2 to the completed project: "**Enhancing the capacity of the wood processing sector to improve efficiency and add value in Guyana**", and at the same time, seek to address the issues identified by the stakeholders. It also seeks to address strategic directives that

have been established for the Forest Industry sector in the National Competitiveness Strategy (NCS), National Forest Policy Statement, National Forest Plan and the Low Carbon Development Strategy (LCDS).

The intended immediate effect of the project will be a more sustainable and competitive forest industry sector in Guyana which is better managed and therefore better able to utilize forest resources efficiently along the industry value chain. This would be facilitated through the training and capacity building activities of the project which would result in producers/manufacturers being able to more efficiently process timber to consistently produce lumber of a higher standard and quality, at higher recovery rates and at a lower cost per unit. Consumers/users of value-added wood and those in the building and construction sector will also be sensitized about the efficient use of wood, and hence will be able to make more informed wood purchasing decisions.

The long term effect after project completion will see Guyana's economy and the environment benefiting from more efficient and sustainable utilization of the nation's forest resources, and thereby increase the forestry sector's contribution to Guyana's economy and sustainable economic development. The outcomes of the project would assist Guyana's wood processing sub sector of the forestry industry to operate in a more structured and efficient manner. This will assist in the effective implementation of policy, and the targeting of goals for the forest sector will also be executed in a more effective way and in keeping with the policies of the Government.

2. Project Objectives and Implementation Strategy

Project rationale

The ITTO recognizes that effective forest industries provide a crucial link between sustainably managed forests and international markets for forest products, and seeks to advance this idea through the promotion of investment in the industrialization of producer member countries, thereby increasing their technical capabilities and employment opportunities, and ultimately increasing the contribution of forestry related activities to social and economic development.

There is a need to promote increased and further processing of tropical timber from sustainably managed and legally harvested forests, and to improve the efficiency by which such timber is processed and utilized, for these activities can result in maximizing the returns from timber resources and at the same time, reduce the pressure on the forest to achieve the required volume of product – harvesting less trees.

Activities focused on improving the competitiveness and efficiency of the wood processing sector can have a tremendous impact on the promotion of increased and further processing of timber, and on the manufacturing and exports of higher added-value products, which will ensure that the forestry sector's contribution to economic development and poverty alleviation is enhanced. These activities have the potential to generate greater employment and increased revenue for small-scale and community-based forest enterprises.

Development Objective

To contribute to the enhancement of the efficiency and competitiveness of Guyana's wood processing sector as a means for sustainable utilization of timber resources and national development.

Specific Objective

To strengthen the performance of the wood processing sector through building local capacity and enhancing national system that will promote and facilitate efficient trade and utilization of lumber for local and export markets.

Outputs

- Output 1: Trained personnel operating within wood processing operations. (Management, Supervisors, Operators, and Regulators).
- Output 2: Report on a National system for local and export trade of lumber that is supported through a reviewed Guyana Timber Grading rules, and quality/dimensional standards for lumber to be used in the construction sector.
- Output 3: Awareness increase for persons using lumber (Contractors, Architect, Value-Added Operations).

Project Strategy

This project will work collaboratively with stakeholders directly or indirectly involved in the processing and trade of lumber in Guyana. Using a participatory approach, it will discuss with interested groups through workshops and awareness sessions, to arrive at consensus decisions in relation to processing and trade of lumber and overall management of the wood processing sector.

Training will also be provided to key stakeholders at all levels of operations to improve their competency, and information will be made available to facilitate purchasers of lumber in making better decisions.

More specifically, the project will employ the following approaches/methods:

- *Diagnostic Assessment:* The Project will undertake reviews and conduct stakeholders' discussion workshops to analyse the current situation and identify problems within the sector.
- *Stakeholder Input:* Stakeholders input will be solicited at the technical committee level from representative groups and at workshops and training sessions from individual stakeholders. These inputs will be recorded as a component of the report on the workshop.
- *Training:* Training sessions will involve providing lectures, reference information and stakeholder participation to target main groups such as Managers, Supervisors, Operators and Regulators of the wood processing sector.
- *Communication and Feedback:* Workshops focused on providing information and feedback, reports, lectures and reference information are all communication mechanisms that will be utilized under this project to disseminate information directly to stakeholders, and through the GFC's offices countrywide.

Risks

The following are the risks, proposed mitigation measures and assumptions.

Risk 1: Decline in demand for Guyana's lumber on local and export market.

Mitigation Measures: The Guyana Forestry Commission will continue to work with the key sector agencies to build and facilitate market information and market access for and between local producers/manufacturers and buyers/users.

Assumption 1: *International demand for tropical lumber continues.*

The demand for legally verified tropical lumber will continue to strengthen because of their unique and valued characteristics and higher prices will support improvement in quality of products.

Assumption 2: *Local demand for tropical lumber continues.*

Increased efficiency within the wood processing sector coupled with better knowledge about the use of wood will result in improved quality at a competitive price for lumber that can compete with substitutes for use on the local market.

Risk 2: Personnel whom have been trained discontinue working within the sector or are not allowed to implement knowledge gained in operating.

Mitigation Measures: The management of wood processing operations would be provided with training so that they are better able to understand what are the requirements for an efficient operation, and the value of skilled operators in such an operation.

Assumption 1: *Management/Owner/Operators will value and implement knowledge gained from training.*

Management/Owner understands the value of trained operator/personnel and compensates them adequately so that they continue to work with the company, and allows the personnel/operator to implement knowledge gained.

Risk 3: Stakeholders do not accept and conform to standards/practices established in the National system for trade of lumber.

Mitigation Measures: The stakeholders and their representative organisation will be involved from the outset of the project and during every activity in the implementation phase, so that there is greater ownership of the objectives and results.

Assumption 1: *Greater awareness would have impacted on their decision making process*

The active involvement of representative organizations at the management level of the project, and the individual stakeholders in the activities will result in buy-in to the project objectives and results.

Risk 4: Consumers/user will not use wood in keeping with established practices.

Mitigation Measures: The implementation of the National system of inspection and certification of lumber for local and export trade of lumber, coupled with additional guidance information provided through point of purchase posters will facilitate more informed decision by consumers/users.

Assumption 1: *Greater awareness by consumers/users resulting in better decisions.*

The availability of information at point of sale and quality products approved through the national system will result in consumers making more informed decisions in keeping with established practices.

Planned Duration

The project was planned to be executed in a period of 24 months.

Planned Overall Cost

The Total Budgeted expenditure for this project is US\$ 348,693 made up of US\$ 250,068 contributions from ITTO and US\$ 98,625 from the Government of Guyana.

Beneficiaries, Expected Outcomes and the Main Outputs

Beneficiaries:

Guyana's Economy and Environment: This project aims at developing an efficient and competitive wood processing sector that will make more efficient and sustainable utilization of the nation's forest resources by; increasing the forestry sector's contribution to GDP and thereby impact positively on sustainable economic development.

Sawmill/Lumberyard Owners and Operators: Training and Capacity building activities will result in producers/manufacturers being able to more efficiently process timber, to produce lumber of a higher standard and quality, at a higher recovery and lower cost per unit.

Exporters/Traders of lumber and Consumers/Users of wood in value-added and construction sector: Personnel will be more aware and sensitized about how to use wood efficiently, and thereby assist them in making more informed purchasing decisions. Marketing and promotional information will also be strategically placed at point of purchase to further assist this process. A National system for trade in lumber will support fairness in the trade of lumber.

Government Officials (GFC, EPA and Labour): The project will result in the value wood processing sub sector of the forestry industry operating in a more structured and efficient manner. As such, the implementation of policy and the targeting of goals for the forest sector will be executed in a more effective way and in keeping with the mandate of the organization. Staff from Government agencies will be part of the capacity building and training exercise and as such will be better able to achieve their mandate.

Expected Outcomes

The intended immediate effect of the project will be a more sustainable and competitive forest industry sector in Guyana which is better managed and therefore better able to utilize forest resources efficiently along the industry value chain. This would be facilitated through the training and capacity building activities of the project which would result in producers/manufacturers being able to more efficiently process timber to consistently produce lumber of a higher standard and quality, at higher recovery rates and at a lower cost per unit. Consumers/users of value-added wood and those in the building and construction sector will also be sensitized about the efficient use of wood, and hence will be able to make more informed wood purchasing decisions.

The long term effect after project completion will see Guyana's economy and the environment benefiting from more efficient and sustainable utilization of the nation's forest resources, and thereby increase the forestry sector's contribution to Guyana's economy and sustainable economic development. The outcomes of the project would assist Guyana's wood processing sub sector of the forestry industry to operate in a more structured and efficient manner. This will assist in the effective implementation of policy, and the targeting of goals for the forest sector will also be executed in a more effective way and in keeping with the policies of the Government.

The outcomes as related to the results/outputs of this project are:

- I. A wood processing sector that is facilitating sustainable utilization of timber resources and increased contributing to national development, through the operation of efficient and competitive companies that are producing quality products for local and export markets.
- II. An enhanced National system for local and international trade in lumber, that will influence fairness in the trade of lumber, proper use of wood, and reduce wood waste.
- III. Regulatory agencies being better able to exercise their mandate in relation to the wood processing sector.

Main Outputs

- I. Trained personnel operating within wood processing operations (Management/Supervisors, Operators, and Regulators).
- II. Report on a National system for local and export trade of lumber that support fairness.
- III. Reviewed Timber Grading rules, and quality/dimensional standards for lumber to be used in the building and construction sector,
- IV. Increase awareness for persons using lumber (Contractors, Architect, Value-Added Operations)

3. Project Performance

Specific Objective Achieved

The project was successful in being able to strengthen the performance of the wood processing sector through building local capacity and enhancing national system. This impacted positively in promoting and facilitating efficient trade and utilization of lumber for local and export markets. Some 320 persons from the sector would have received training and /or awareness building in relation to wood processing through 17 cluster sessions held in timber producing districts all across Guyana.

The feedback from sawmills that have implemented some of the practices recommended by training sessions and the revised timber grading rules are showing that there has been an improvement in the wood processing recovery rate with the average rate being 55%. However most importantly, they companies are showing improvement in the recovery of value from logs and improvement in the quality of products being produced.

There has also been an evident growth in market share in key export regions. The North American market for dressed lumber has grown significantly in 2015 by close to 20% and this is supported also by Latin American and Caribbean market for Shingles and other construction materials.

Outputs Achieved

Output 1: Policy and Code of Practice for Wood Processing.

The procurement process for the Wood Processing and Training consultant was completed in the first few month of the project implementation and the Consultant conducted a document review to gather relevant information and data on the present situation in the wood processing sector to prepared relevant material and presentations for the groups of stakeholders (Managers and Supervisors, Sawmill Operators, Lumberyard Operators and Monitoring staff of GFC and other relevant Government agencies).

In the first quarter as well, GFC staff have been identified for training across the main field divisions.

In the second quarter of the project implementation period, the training curriculum has been completed for four categories of stakeholders:

- Managers and supervisors
- Sawmill operators
- Lumber yard operators
- Inspectors/Regulators

The consultant first commenced the process of conducting document review to gather relevant information and data on the present situation in the wood processing sector and on the draft Code of practice for Wood Processing Facilities (Sawmills and Lumberyards), to prepared relevant material and presentations to be used in conducting the workshops.

Four categories of stakeholders were the priority groups targeted:

- Managers and supervisors
- Sawmill operators
- Lumber yard operators
- Inspectors/Regulators

A detailed outlined of training areas was prepared covering 26 technical training areas, spread across the 4 categories of stakeholders. This is presented below:

GUYANA FORESTRY COMMISSION
TRAINING PROJECT FOR THE WOOD PROCESSING SECTOR
SUMMARY-COURSE OUTLINE FOR FOUR CATEGORIES OF TRAINEES

#	Description	CATEGORY			
		Sawmill/Lumberyard Managers/Supervisors	Sawmill Operators	Lumberyard Operators	Regulators
		1 Day	5 days	5 days	3 days
1	Timber and its properties	◊	◊	◊	◊
2	Legal framework for sawmills, lumberyards	◊	◊	◊	◊
3	Overview of sawmilling process	◊	◊	◊	◊
4	Occupational safety and health in wood processing operations (=PPEs)	◊	◊	◊	◊
5	Sawmill components I-Headrigs		◊		◊
6	Sawmill layout II-Edgers, trim and cut-off saws, etc.		◊		
7	Sawmill components III-Power and transmission equipment		◊		
8	Sawmill components IV-Dogs, log turners, conveyor systems, etc.		◊		
9	Sawmill site layout	◊	◊		◊
10	Sawmill (internal) layout	◊	◊		◊
11	Lumber yard site layout	◊	◊	◊	◊
12	Lumber yard (internal) layout	◊	◊	◊	◊
13	Care and maintenance of saws		◊	◊	
14	Pre-milling operations	◊	◊	◊	◊
15	Mill operations	◊	◊	◊	◊
16	Post-milling operations I Sorting, grading, storage of lumber		◊	◊	◊
17	Post milling operations II-Kiln drying, Air drying, end seal treatment		◊	◊	
18	Post milling operations III-Wood preservation		◊	◊	
19	Post milling operations IV-Sorting, grading, bundling		◊	◊	◊
20	Useful tools, equipment for sawmills, lumber yards		◊	◊	◊
21	Factory/Lumber yard hygiene (Light, dust, noise management)		◊	◊	◊
22	Recommended admin practices (Records, SOPS, Briefing Sessions)	◊	◊	◊	◊

23	Marketing issues	◇	◇	◇	◇
24	Training for sawmilling, lumber yard operatives	◇	◇	◇	◇
25	Introduction to timber grading		◇	◇	◇
26	GFC's Code of Practice for wood processing		◇	◇	◇

The initial schedule of training sessions is presented below:

COURSE FOR MANAGERS OF SAWMILLS/LUMBER YARDS		SPONSORED BY THE GUYANA FORESTRY COMMISSION AND FORESTRY TRAINING CENTRE INCORPORATED				
Objectives: (a) To foster an appreciation of the need to optimise timber resources (b) To encourage participants to implement a number of specific, incremental measures that would lead to improved timber quality (c) To encourage managers to invest in the training of their employees						
SESSION	DATE AND LOCATION					
	29-Apr-15	30-Apr-15	4-May-15	7-May-15	8-May-15	
TIME	New Amsterdam	Crabwood Creek	Georgetown	Parika	Anna Regina	
9:00-9:30	Introduction; timber and its properties	Introduction; timber and its properties	Introduction; timber and its properties	Introduction; timber and its properties	Introduction; timber and its properties	
9:30-10:30	Overview of sawmilling concepts and practices/use of technology	Overview of sawmilling concepts and practices/use of technology	Overview of sawmilling concepts and practices/use of technology	Overview of sawmilling concepts and practices/use of technology	Overview of sawmilling concepts and practices/use of technology	
10:30-10:45	Break	Break	Break	Break	Break	
10:45-11:15	Occupational safety & health in wood processing	Occupational safety & health in wood processing	Occupational safety & health in wood processing	Occupational safety & health in wood processing	Occupational safety & health in wood processing	
11:15-11:45	Measuring and improving sawmill efficiency	Measuring and improving sawmill efficiency	Measuring and improving sawmill efficiency	Measuring and improving sawmill efficiency	Measuring and improving sawmill efficiency	
11:45-1:15	Lunch	Lunch	Lunch	Lunch	Lunch	
1:15-1:45	Managing costs in sawmilling operations: Power options	Managing costs in sawmilling operations: Power options	Managing costs in sawmilling operations: Power options	Managing costs in sawmilling operations: Power options	Managing costs in sawmilling operations: Power options	
1:45-2:15	Managing costs in sawmilling operations: optimising logs	Managing costs in sawmilling operations: optimising logs	Managing costs in sawmilling operations: optimising logs	Managing costs in sawmilling operations: optimising logs	Managing costs in sawmilling operations: optimising logs	
2:15-2:30	Break	Break	Break	Break	Break	
2:30-3:00	Post milling treatment of timber: kiln drying, storage	Post milling treatment of timber: kiln drying, storage	Post milling treatment of timber: kiln drying, storage	Post milling treatment of timber: kiln drying, storage	Post milling treatment of timber: kiln drying, storage	
3:00-3:30	Marketing of timber products	Marketing of timber products	Marketing of timber products	Marketing of timber products	Marketing of timber products	
3:30-3:45	Break	Break	Break	Break	Break	
3:45-4:15	Record keeping and the legal framework	Record keeping and the legal framework	Record keeping and the legal framework	Record keeping and the legal framework	Record keeping and the legal framework	
4:15-4:45	Discussion	Discussion	Discussion	Discussion	Discussion	
4:45-5:00	Course evaluation	Course evaluation	Course evaluation	Course evaluation	Course evaluation	
Delivery mode-Power Point Presentations: Materials: Wood samples, Calipers, Carpenter's Rule, Crayon, Moisture Meters, Wax, Nails, Screws, Paste, Sawmill Return Form NB. On the basis of feedback from participants, sessions after April 25, 2015 will be adjusted.						

The target groups were stakeholder (training for managers, supervisors lumber yard operators) and GFC staff were the main focus of this review period. The course content was as follows:

Target group	Course for GFC Staffs Managing Lumber Yards and Sawmills	Course for Decision Makers in Lumber Yards and Sawmills	Course for Sawmill Technicians	Course for Lumber Yard Operators
Objectives	<p>(a) To foster an appreciation of the need to optimize timber resources</p> <p>(b) To encourage participants to implement a number of specific, incremental measures that would lead to improved timber quality</p> <p>(c) To encourage managers to invest in the training of their employees</p>	<p>(a) To foster an appreciation of the need to optimize timber resources</p> <p>(b) To encourage participants to implement a number of specific, incremental measures that would lead to improved timber quality</p> <p>(c) To encourage managers to invest in the training of their employees</p>	<p>(a) To foster an appreciation of the need to optimize timber resources</p> <p>(b) To encourage participants to implement a number of specific, incremental measures that would lead to improved timber quality</p> <p>(c) To encourage managers to invest in the training of their employees</p>	<p>(a) To foster an appreciation of the need to optimize timber resources</p> <p>(b) To encourage participants to implement a number of specific, incremental measures that would lead to improved timber quality</p> <p>(c) To encourage managers to invest in the training of their employees</p>
Course Content	<ul style="list-style-type: none"> • Review of relevant policy, legislation and other statements on framework Forest Industry • Code of Practice-Wood Processing • Overview of sawmilling concepts /use of technology • Local sawmilling practices-pros and cons • Occupational safety & health in wood processing • Use of common tools: calipers, moisture meters • Managing relationships with saw millers/lumber dealers 	<ul style="list-style-type: none"> • Introduction; timber and its properties • Overview of sawmilling concepts and practices/use of technology • Occupational safety & health in wood processing • Measuring and improving sawmill efficiency • Managing costs in sawmilling operations: Power options • Managing costs in sawmilling operations: optimizing logs • Post milling treatment of timber/kiln drying, storage • Marketing of timber products • Record keeping and the legal framework 	<ul style="list-style-type: none"> • Work ethics-adding value to the enterprise, focusing on the core business of the company • Skills sets-getting work done in a cost effective manner • Introduction; timber and its properties, pre-milling treatment of logs, storage of lumber, kiln drying practices • Overview of sawmilling concepts and practices/ use of technology • Overview of sawmilling concepts and practices/ use of technology 	<ul style="list-style-type: none"> •Work ethics-adding value to the enterprise, focusing on the core business of the company •Skills sets-getting work done in a cost effective manner •Introduction; timber and its properties, pre-milling treatment of logs, storage of lumber, kiln drying practices •Overview of sawmilling concepts and practices/ use of technology •Overview of sawmilling concepts and practices/ use of technology •Occupational safety & health in wood processing

Output 2: Capacity-building Strategic Plan emphasizing improved equipment and machinery and skills development for the wood processing sector.

The procurement process for the Building/Construction Consultant consultant was completed in the first two months of the project implementation and the consultant commenced the process of conducting document review to gather relevant information and data on the present situation in the construction and wood processing sector to prepared relevant material and presentations on the trade of lumber, develop an inspection and certification system for lumber, and make recommendations for alignment of standards and codes for the use of quality lumber in the construction sector. As part of this process, the Consultant met with staff from GFC's Export Unit to discuss and acquaint himself with the process for exporting forest products and was provided with a draft of Guyana's Building Code – Use of Hardwood Timber, the procedure for Exporting Forest Products and a copy Guyana's Timber Grading Rules. He was also able to discuss international market requirements for forest products with GFC's Timber Legality and Trade Unit in relation to the US Lacey Act and EU FLEGT requirements.

A desk review commenced also in the first quarter, on the review of the current system for trade in lumber. This covers the GFC processes as well as the processes involved at other agency level including Customs. The detailed Report covers the following main aspects:

- **System for inspection, certification and trade of lumber**
 - Legality monitoring of operations
 - Chain of Custody
 - Export markets
 - Procedures Pertaining to the Export of Forest Produce
 - Local markets
 - Record-keeping
 - Licence procedures – timber dealers
 - Licence procedures – sawmillers

- **Review of regulatory requirements for export of lumber**
 - EU-FLEGT
 - FLEGT Action Plan
 - EU Timber Regulation
 - US Lacey Act
 - Introduction
 - Illegal acts
 - Coverage
 - Documentation and due care
 - Declarations
 - Sanctions

- **Recommendations for a national system**
 - National level
 - Log Production and transport
 - Licences and monitoring
 - Wood tracking system
 - Company level
 - Due Care v Due Diligence
 - Due Diligence Process
 - Protocols for improved data collection

This Report is also a key input into the development of the revised Timber Grading Rules for Guyana.

Comments were sought from Stakeholders and integrated into the final version of the document. This activity brought to a close, Output 2.

Output 3: Training manuals, workshops and improved skills in the wood processing sector.

The procurement process for the Wood Technologist was completed during the first two months, and he gathered relevant information and data on the present situation in the wood processing sector and prepared material and presentations for the groups of stakeholders - Contractors, Architects, stakeholders of the value-added sector (Furniture, Windows, Doors, spindles, etc.).

Various document including the Building Code were identified and sourced. The draft outline of the revised Grading Rules has been formulated in the first phase. Additionally, the process for revision of the Grading Rules was discussed in the first phase. This involved stakeholder engagement, expert review and inputs by industry bodies, and the drafting of the various sections of the Grading Rules. A summary of the main areas for review and reformulation also commenced development in the first quarter.

During the period July 2015 and January 2016, the most significant advancement were made in Output 3. In the last review period work was done on a review of the current system for Timber Grading. Materials

were also put together for presentations to various categories of stakeholder. Various interactions have been conducted with stakeholders to inform the revised Rules.

This led to a draft revised Timber Grading Rules being developed. This version was circulated for stakeholder feedback. This was completed by March 2016, with a revised Final Timber Grading Rules being produced.

The areas covered in the revised version are reflective of international requirements for timber grading and a general updating based on local developments. Timber grading is fundamentally a marketing tool that ensures that the buyer knows the quality and specifications they can expect and the seller knows what to supply. Grading can be done either by visual assessment – based on certain size characteristics and occurrence of visual defects such as knots – or by machine grading which is used to test timber strength.

For the Guyana Timber Grading rules (GTGR) grades, are provided for logs and a range of different product groups and for each product group there are usually several product types and grade classes. For the GTGR, both versions 2002 and 2016, grading is purely visual, either for strength or appearance depending on product group.

In Guyana grading is normally done for export purposes only – though there is no reason why the system cannot be used locally should a customer request a grade. For Guyana, the standardization should promote international recognition and acceptance of the timber and wood products. Also, it should encourage the use and marketing of lesser-used timber species.

The draft GTGR 2016 have drawn heavily on grading rules used in the main international markets of Guyana timber (especially lumber) in order that grading done in Guyana can be immediately comparable and compatible with grades in buyer countries thus reducing potential confusion and interpretation between seller and buyer.

Rationale to Revision

The rationale for a revision of the GTGR covered several points. The most important to these, and the major guiding principles of the revision, were:

1. To include a wide range of opinions – both in Guyana and abroad - in a process of stakeholder involvement to reach consensus on a revised version of the GTGR.
2. To simplify the grading rules to make them easier to follow and apply for graders, exporters and buyers. To dovetail the GTGR with the major international rules, especially those in the US, the EU and the Caribbean.
4. To focus on a few major product groups for grading while retaining as optional grading for a range of minor products.
5. To refocus grading on visual strength grading for structural timbers and appearance grading for non-structural utility and decorative woods.
6. To provide a clear description of the defects most commonly encountered in Guyana timber.
7. To review the inclusion of dimension tolerances in the grades and shift these towards bi-lateral agreements between buyers and sellers.
8. To address the issue of moisture content in wood as part of the grading
9. To review possibility of including timber imports into the grading rules.
10. To introduce a “fit-for-purpose” grade for certain product groups which can be included in the case that the product does not meet the regular grades but specifications are agreed between seller and buyer.

The main areas covered under the revised draft of the Timber Grading Rules are:

Product group	Product type	Product type description	Grading method	Possible grades
GY01 - Roundwood	a b	Logs Piles	Visual strength or appearance	A, B, C, D, E (FFP)
GY02 – Structural timber		All types	Visual strength	A, B, C (FFP)
GY03 – Non-structural timber	a b	Utility timber Decorative timber	Appearance (defects) Appearance (cutting)	A, B, C (FFP) A, B, C, D
GY04 – General wood products	a b c d e f g	Profiled products Railway sleepers and crossings Transmission poles (round) Telegraph and electric cross-arms Fencing posts Shingles Fencing staves	Appearance (defects) Visual strength Visual strength Visual strength Appearance (defects) Visual strength	A, B, C (FFP) A, B A A A, B (FFP) A, B (FFP) A, B (FFP)

The revised Timber Grading Rules was finalized in May 2016. Over the period January to May 2016, a series of awareness session were held with the following groups of stakeholders:

- Construction sector (Contractors, Architects, etc.)
- Value-added sector (Furniture, Windows, Doors, spindles, etc.)

- Wood Processors

A total of 320 sector operators were trained across regional locations in Guyana over a five month period. The training and awareness sessions were well received and there was an overall higher level of understanding of the grading rules, the outputs of the project and the use of timber.

Over this period as well, posters were designed and printed to facilitate users making more informed decision when purchasing lumber. These Posters covered the following areas:

- Revised Timber Grading Rules
- Uses of Wood

These activities brought to a close, Output 3.

Schedule and expenditure

The project was scheduled for 24 months was completed within this period. The total expenditure of the project was US\$188,125 (of ITTO Budget) and this was within the allocated budget.

4. Project Outcome, (Target Beneficiaries Involvement)

These outputs of this project would have assured the successful fulfilment of the Specific Objective as well as impacting positively on sectoral programmes, the physical and social environment, and the target beneficiaries. Stakeholders of the wood processing sector would have benefited by having the foundation on which they can improve their competitiveness and profitability of their business and hence the realization of increased contribution from the forestry sector to Guyana's development.

The exporting arm of the forest sector will now be operating with a guidance document – revised Timber Grading Rules and this is better aligned with the market requirements for timber consumer countries. Personnel from sawmills and lumbers will be able to relate operational practices to specific markets and have a clear understanding of how to use their present technology to increase the recovery of value from processing lumber through the improvement of the quality of products produced.

There has been the call by majority of the stakeholder for a review of Guyana's Log Export Policy to facilitate more processing locally. This has been supplemented by a review of the National Forest Plan and National Forest Policy which promotes more local process of logs as against export of logs.

The data shows that there have been an improvement in the recovery from logs, and this can be attributed to the utilization of practices detailed in the CoP, exposure of operators to training activities conducted during this project and the movement of sawmill from using gang-saws to using mobile thin kerf band-saws. Improved recovery coupled with use of Lesser Used Species (LUS) and Kiln Drying of lumber will contribute tremendously to the development objective.

Although the implementation of this project was centered at the Guyana Forestry Commission which is responsible for managing and regulating forest activities in Guyana, stakeholders such as: Guyana's Economy and Environment, Forest Industry (producers and manufacturers), Local communities and Government Officials would have benefitted in the following way.

The **Guyana's Economy and Environment** will benefit from more efficient, sustainable utilization of the forest resources that would impact on sustainable economic development. The outputs of this project are in keeping with Governments policy of developing a Low Carbon economy. Improvement in recovery and value will result in reduced deforestation and hence reduced environmental impact.

The **Forest Industry (producers and manufacturers)** would have benefited from training of its operators and introduction to the best practices detailed in the CoP. The end result would be improvement in quality, recovery and profitability and competitiveness. The producers and manufacturers were also able to achieve greater collaboration with others stakeholders of the sector during this project. Further, through better alignment of export standards with timber importing countries, this will boost market access and potential for Guyana's forest products exports.

The **Local communities/associations** would have benefit from training in more efficient, sustainable utilization of forest resources, which will encourage greater development of economic activity in these communities whilst also ensuring environmental sustainability.

Government Officials would have participated in the capacity building and training exercise and as such will be able to be executed in a more effective way, the implementation the policies and the goals for the forest sector. Ability to monitor the development of the value added sub sector of the forestry industry operating in a more structured and efficient manner.

For all identified benefits to stakeholders, the benefits that this project allowed will continue in the future and the GFC, which now has the resource capacity following the completion of this project, will integrate these into its work plan of activities.

There is more collaboration within the sector by the main stakeholder's organizations of Forest Products Associations, Guyana Manufacturers and Services Association, the newly formed National Steering Committee of Community Forestry Organizations and the Guyana Forestry Commission.

The establishment of the Forestry Training Center Inc. and the development of the training manual will address the issue of competent human resources for the sector; hence the competitiveness of the sector would have been improved and maintained.

5. Assessment and Analysis

The situation that is prevailing after the project completion is the creation of an environment where wood processing sector is more optimistic of being more competitive and profitable, there is a higher level of efficiency and enhanced alignment with export standards in Guyana with the main tropical timber consumer countries.

The rationale of enhanced capacity building in the forest sector along the industry value chain will encourage more efficient economic and sustainable utilization of the forest resource was justified, for the feedback from the primary wood processing sector indicates that by implementing some of the practices detailed in the CoP and revised Timber Grading Rules, operations were experiencing improvement in their recovery rates and quality of products utilizing the available equipment.

Stakeholders' participation in the management and activities of the project was overwhelming and critical for its success, because there was instant buy-in to the changes that were being proposed and they were able to assess the benefits they can acquire by implementing the practices being proposed in the revised Timber Grading Rules. The strategy of obtaining continuous feedback and having open discussions definitely influenced their acceptance.

The results/outputs identified for this project and the project strategy were precise for addressing the identified problems and achieving the specific objective. Stakeholders were able to make small adjustment in the implementation of the practices detailed in the CoP without any substantive capital investment and attain the benefits of increase recovery and value.

The project beneficiaries would have benefited directly and indirectly during the implementation of this project.

- **Guyana's Economy and Environment:** This project was successful in further strengthening an efficient and competitive wood processing sector that will make more efficient and sustainable utilization of the nation's forest resources. There has been an increase in the general recovery rate and a more synergistic alignment with export standards between Guyana and timber consumer countries.
- **Sawmill/Lumberyard Owners and Operators:** Training and Capacity building activities resulted in producers/manufacturers being able to more efficiently process timber, to produce lumber of a higher standard and quality, at a higher recovery and lower cost per unit.
- **Exporters/Traders of lumber and Consumers/Users of wood in value-added and construction sector:** Personnel have become more aware and sensitized about how to use wood efficiently, and thereby assist them in making more informed purchasing decisions. Marketing and promotional information have been strategically placed at point of purchase to further assist this process.
- **Government Officials (GFC, EPA and Labour):** The project resulted in the value wood processing sub sector of the forestry industry operating in a more structured and efficient manner. The implementation of policy and the targeting of goals for the forest sector were executed in a more effective way and in keeping with the mandate of the organization. Staff from Government agencies participated in the capacity building and training exercise and as such are better able to achieve their mandate.

The sustainability of project activities after project completion is assured because of the following factors:

- I. The operation of National system for local and export trade of lumber will be maintained by the GFC because this activity falls within the mandate of the Commission. The Quality Control and Licensing Unit of the Forest Monitoring Division (FMD) currently implements this function. The GFC will continue to provide finance for the execution of the continuing activities under this project, as part of its Annual Work programme and budget. These will include staff cost, office space, and additional resources.
- II. Continued information on wood for purchasers/users of wood would be maintained through point of sale posters and other information source and activities, because this activity falls within the mandate of the FPDMC. The FPDMC will work closely with the GFC to develop and disseminate information through established network and communication mechanism.
- III. Through the FTCI, continuous training will be delivered to the sector. Training manuals have been established for the subject areas required and these will be used to conduct competency training for personnel within the sector. With the CoP for sawmilling and lumberyards expected to be made mandatory in 2013, persons operating within the wood processing sector will have to implement the requirements of the CoP, hence the need for continuous training.

The political will is also in place to undertake this project. Therefore, there is no reason to believe that these activities will not continue after project funding, for the results and outcomes of this project constitute major developmental targets that are proposed in the National Competitiveness Strategy (NCS) and the Low Carbon Development Strategy (LCDS).

Because of this project, it can be envisaged that there will be more collaboration within the sector by the main stakeholder's organizations of Forest Products Associations, Guyana Manufacturers and Services Association, the newly formed National Steering Committee of Community Forestry Organizations and the Guyana Forestry Commission.

Synthesis of the Analysis

Criteria	Assessment
<i>(a) Specific Objective Achievement</i>	Realised
<i>(b) Outputs</i>	Realised
<i>(c) Schedule</i>	On time
<i>(d) Actual Expenditures</i>	Below Planned (not significantly)
<i>(e) Potential for Replication</i>	Significant Potential
<i>(f) Potential for Scaling Up</i>	Significant Potential

6. Lessons Learned

Project identification and design

- I. The project design element that allowed the development objective to be met, is the integration of this project with a related project (PD 513/08 (Rev.1 (I))). The synergies with this project will provide greater benefits to the national economy and to sustainable forest management in Guyana.
- II. The project design element also allowed the development objective to be met through the integration of operational components as realized through the outputs (Operating procedures, Competency/skill level of personnel, exporting rules revision, Policies and Market requirements). This approach allowed for a comprehensive system that will facilitate the successful achievement of developmental objective.
- III. Improved inter-sectoral linkage has been an important aspect of the project strategy, for there was increased collaboration between Associations representing Loggers, Exporters, Sawmill and Lumberyard Owners and persons involved in value-added production. There was the general understanding that all the major stakeholders would need to work together to improve the quality of products being produced by the sector, as well as ensuring that the forest resources are utilized in an efficient and sustainable way.
- IV. A collaborative mechanism where the relevant parties were involved in overseeing the implementation and making recommendation in relation to the revised Timber Grading Rules developed during this process ensure outputs that were more acceptable by stakeholders.
- V. Stakeholder cooperation in adhering to what is proposed in the revised Timber Grading Rules will be important to the success of the collaborative approach that is required to make the system work, and improve the competitiveness of their company and the sector. Cooperation between relevant government ministries, agencies, and the forest sector industry continue to work together to the meeting of export standards.

Operational matters

- I. Having the national agency that is responsible for managing the forest sector of Guyana – GFC, be the main executing agency for this project, resulted in a coherent and systematic approach to be taken and one that allows for continuity and sustainability of the initiatives.
- II. The networking with the two key sector agencies: the Forest Products Association and the Guyana Manufacturers and Services Association ensured that project results, findings and deliverables were shared with these bodies and their involvement through meetings and consultation in the drafting of the revised Timber Grading Rules for Guyana.
- III. The Online system also allow for more systematic tracking of activity progress and which resulted in careful attention being placed toward ensuring that activities remain on track as planned and disbursement of funds were done in a timely manner.
- IV. The project planning framework allowed for a sharing of experiences with other similar ITTO Projects and offered room for technical support for the Project Technical Committee. This allowed for needed expert guidance to be given to the project activity planning and overall effective monitoring and evaluation.
- V. Project monitoring, evaluation and reporting activities facilitated effective management and contributed to the success of this project.
 - The project was subjected to monitoring by ITTO representatives and ITTO monitored project outputs (reports etc) during the project. The project was also subjected to GFC monitoring on behalf of the Government of Guyana. One Project Technical Committee meeting was held on 18 – 19 January, 2016.
 - Financial and operational progress reports were submitted to GFC for analysis and approval; after which the GFC will forward them to ITTO. Bi-annual (mid-year and end-of-year) progress reports were prepared and submitted to ITTO at mutually agreed dates and workshop reports, and other similar documents were printed and made available to ITTO and other interested parties as appropriate. This was done to facilitate the national monitoring process and increase interactions with stakeholders and assist in developing and maintaining support for the project. A project completion report was documented and submitted to ITTO.

7. Conclusions and Recommendation

The project was effectively executed in relation to budget resources allocation and has successfully fulfilled all required outputs. For future project of a similar nature, several aspects of recommendation can be made to further strengthen the effectiveness and efficiency of project implementation.

One key recommendation is for there to be adequate and continued engagement of stakeholders throughout the implementation process. This relates to not only consultation and awareness sessions being executed on the issue at hand, but also for capacity building and training. This project was able to integrate these two elements and found that it assisted greatly in the success of the initiative by allowing managers, technicians and operators to buy-in to the ideas being proposed through practical demonstrations and being able to experience the benefits from implementing the practices.

The GFC has provided the outputs in: Code of Practice, Checklist of Requirements (to be used in monitoring), the revised Timber Grading Rules and the Training Manual, and Proposed policies to the stakeholders' group and individual stakeholders, so that they can have access to information and better able implement.

The main recommendations for future projects are:

Identification:

- Overall, the approach taken under this project was found to be very thorough and effective for it was able to integrate operations of varying capacity, as well as ensure the involvement of stakeholders throughout all of the project implementation activities. This ensured easier buy-in from stakeholders and a more confident approach for implementation.

Design:

- In terms of specific activity recommendation, it is recommended that activities in relation to timber grading needs to be very specialized and should be a continuous undertaking.

Implementation:

- The project was effectively executed in relation to budget resources allocation and has successfully fulfilled all required outputs. For future project of a similar nature, several aspects of recommendation can be made to further strengthen the effectiveness and efficiency of project implementation.
- The GFC has provided the outputs in: Code of Practice, Checklist of Requirements (to be used in monitoring), the revised Timber Grading Rules and the Training Manual, and Proposed policies to the stakeholders' group and individual stakeholders, so that they can have access to information and better able implement.

Organisation:

- It is recommended that for this sector to be competitive there is the need for more intense competence training exporters in timber grading, and market requirements. The training should also cover areas such as: cost of production, quality assurance, waste management, occupational health and safety, and social responsibility, in addition to the operating practices recommended for lumberyards and sawmills.

Management:

- To allow for a bit of extra time in terms of scheduling, projects the development of new policy (like Timber Grading) often times involve several layers of interactions with stakeholders and sometimes several visits to one stakeholder group may be necessary. This will allow for extra time to facilitate greater flexibility in terms of activity scheduling and overall management.

Responsible for the Report

Name: Pradeepa Bholanath

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Position held: Head, Planning and Development Division,
Guyana Forestry Commission

Date: 29th July, 2016

Annex 1 – Financial Statements and Cash Flow

PROJECT FINANCIAL STATEMENT - ITTO						
Project No. PD 687/13 Rev.1 (I)			Period ending on: 29 July 2016			
Project Title: Strengthening the performance of the Wood Processing Sector in Guyana, through Building Local Capacity and Enhancing National Systems that promote forest product trade and sustainable utilization of forest resources.						
Component	Original Amount (A)	Modified Approved Amount (A)	Expenditures To-date			Available Funds (E) { A - D }
			Accrued (B) a/	Expended (C)	Total (D) { B + C }	
I. Funds managed by Executing Agency						
10. Project Personnel						
13 National Consultant(s) National Wood Processing and Training						
13.1 Consultant	\$12,000.00			\$12,000.00	\$12,000.00	\$0.00
13.2 National Wood Technologist	\$9,000.00			\$9,000.00	\$9,000.00	\$0.00
14 International Consultant(s) International Building/Construction						
14.1 Consultant	\$24,000.00			\$24,000.00	\$24,000.00	\$0.00
19. Component Total:	\$45,000.00			\$45,000.00	\$45,000.00	\$0.00
30. Travel						
31. Daily Subsistence Allowance						
31.2 International Consultant(s)	\$7,000.00			\$7,000.00	\$7,000.00	\$0.00
32. International Travel						
32.2 International Consultant(s)	\$9,000.00			\$9,000.00	\$9,000.00	\$0.00
33 Local Travel						
33.2 International Consultant(s)	\$6,875.00			\$6,875.00	\$6,875.00	\$0.00
39. Component Total:	\$22,875.00			\$22,875.00	\$22,875.00	\$0.00
50. Consumable Items						
51. Raw Materials	\$76,000.00			\$75,950.00	\$75,950.00	\$50.00
55 Office Supplies	\$44,400.00			\$44,300.00	\$44,300.00	\$100.00
59. Component Total:	\$120,400.00			\$120,250.00	\$120,250.00	\$150.00
Sub-Total:	\$188,275.00			\$188,125.00	\$188,125.00	\$150.00
80. Project Monitoring & Administration						b/
81. ITTO Monitoring and Review	\$20,000.00					b/
83. ITTO Evaluation	\$15,000.00					b/
84 ITTO Programme Support	\$26,793.00					
89. Component Total:	\$61,793.00					b/
90. Refund of Pre-Project Costs (Pre-Project Budget)						b/
Sub-Total:	\$61,793.00					b/
100. GRAND TOTAL:	\$250,068.00			\$188,125.00	\$188,125.00	\$150.00

Note: Budget Components are those detailed in the Project Document.
a/ Accrued expenditure: expenditures committed/accrued as at the end of the reporting date, but not yet settled.
b/ Funds retained and accounted for by ITTO - details not available with Executing Agency.

PROJECT FINANCIAL STATEMENT - GFC

Project No. PD 687/13 Rev.1 (I)

Period ending on: 29 July 2016

Project Title: Strengthening the performance of the Wood Processing Sector in Guyana, through Building Local Capacity and Enhancing National Systems that promote forest product trade and sustainable utilization of forest resources.

Component	Original Amount (A)	Modified Approved Amount (A)	Expenditures To-date			Available Funds (E) { A - D }
			Accrued (B) a/	Expended (C)	Total (D) { B + C }	
I. Funds managed by Executing Agency						
10 Project Personnel						
11.1 Project Personnel	\$24,000.00			\$24,000.00	\$24,000.00	\$0.00
19 Component Total	\$24,000.00			\$24,000.00	\$24,000.00	\$0.00
30. Travel						
33. Local Transport Costs						
33.1 National Expert(s)/Consultant(s)	\$21,625.00			\$21,625.00	\$21,625.00	\$0.00
39. Component Total:	\$21,625.00			\$21,625.00	\$21,625.00	\$0.00
60. Miscellaneous						
62 Audit Cost	\$5,000.00			\$5,000.00	\$5,000.00	\$0.00
69. Component Total:	\$5,000.00			\$5,000.00	\$5,000.00	\$0.00
70. National Management Costs						
71. Executing Agency Management Costs	\$48,000.00			\$48,000.00	\$48,000.00	\$0.00
79. Component Total:	\$48,000.00			\$48,000.00	\$48,000.00	\$0.00
Sub-Total:	\$98,625.00		\$0.00	\$98,625.00	\$98,625.00	\$0.00
100. GRAND TOTAL:	\$98,625.00		\$0.00	\$98,625.00	\$98,625.00	\$0.00

Note: Budget Components are those detailed in the Project Document.

a/ Accrued expenditure: expenditures committed/accrued as at the end of the reporting date, but not yet settled.

b/ Funds retained and accounted for by ITTO - details not available with Executing Agency.

PROJECT CASH FLOW STATEMENT - ITTO

Project No. PD 687/13 Rev.1 (I)

Period ending on:29 July 2016

Project Title: Strengthening the performance of the Wood Processing Sector in Guyana, through Building Local Capacity and Enhancing National Systems that promote forest product trade and sustainable utilization of forest resources.

Component	Reference	Date	Amount	
			in US\$	Local Currency
A. Funds received from ITTO:				
1. First instalment		3/6/2014	\$100,000.00	\$20,300,000.00
2. Second Instalment		8/6/2015	\$40,440.00	\$8,209,320.00
3. Third instalment		11/2/2016	\$47,835.00	\$9,710,505.00
Total Funds Received:			\$188,275.00	\$38,219,825.00
B. Expenditures by Executing Agency:				
10. Project Personnel				
12 National Consultant				
National Wood Processing and Training Consultant			\$12,000.00	\$2,460,000.00
National Wood Technologist			\$9,000.00	\$1,845,000.00
16 International Consultant(s)				
16 Wood Processing and Training Expert			\$24,000.00	\$4,920,000.00
19. Component Total:			\$45,000.00	\$9,225,000.00
30. Travel				
31. Daily Subsistence Allowance				
31.2 International Consultant			\$7,000.00	\$1,421,000.00
32. International Travel				
32.2 International Consultant(s)			\$9,000.00	\$1,827,000.00
33 Local Transport Cost				
International Consultant			\$6,875.00	\$1,395,625.00
39. Component Total:			\$22,875.00	\$4,643,625.00
50. Consumable Items				
51. Raw materials			\$75,950.00	\$15,417,850.00
55 Office Supplies			\$44,300.00	\$8,992,900.00
59. Component Total:			\$120,250.00	\$24,410,750.00
Total Expenditures To-date:			\$188,125.00	\$38,279,375.00
Remaining Balance of Funds (A-B):			\$150.00	(\$59,550.00)

Notes: (1) Amounts in U.S. dollars are converted using the average rate of exchange when funds were received by the Executing Agency
(2) Total Expenditures To-date (in local currency) should be the same as amount shown in Sub-Total of column (C) of the Financial Statement.

PROJECT CASH FLOW STATEMENT - GFC

Project No. PD 687/13 Rev.1 (I)

Period ending on: 29 July 2016

Project Title: Strengthening the performance of the Wood Processing Sector in Guyana, through Building Local Capacity and Enhancing National Systems that promote forest product trade and sustainable utilization of forest resources.

Component	Reference	Date	Amount	
			in US\$	Local Currency
A. Funds received from GFC:				
1. First instalment		3/6/2014	\$98,625.00	\$20,218,125.00
2. Second Instalment				
3. Third instalment				
Total Funds Received:			\$98,625.00	\$20,218,125.00
B. Expenditures by Executing Agency:				
10 Project Personnel				
11.1 Project Coordinator			\$24,000.00	\$4,920,000.00
30. Travel				
33. Local Transport Costs			\$21,625.00	\$4,433,125.00
33.1 National Expert(s)/Consultant(s)				
39. Component Total:			\$45,625.00	\$9,353,125.00
60. Miscellaneous				
62. Audit Cost			\$5,000.00	\$1,015,000.00
69. Component Total:			\$5,000.00	\$1,015,000.00
70. National Management Costs				
71. Executing Agency Management Costs			\$48,000.00	\$9,840,000.00
79. Component Total:			\$48,000.00	\$9,840,000.00
Total Expenditures To-date:			\$98,625.00	\$20,208,125.00
Remaining Balance of Funds (A-B):			\$0.00	\$10,000.00

- Notes:
- (1) Amounts in U.S. dollars are converted using the average rate of exchange when funds were received by the Executing Agency
 - (2) Total Expenditures To-date (in local currency) should be the same as amount shown in Sub-Total of column (C) of the Financial Statement.