



Guyana Forestry Commission
Invitation for Expression of Interest

STATE FOREST AUTHORIZATION AREA (SFA) 2:
State Forest Exploratory Permit (SFEP)

Area within Forest Concession Previously Allocated as TSA 04/91

Description and Background Information

Deadline for Expression of Interest: February 10, 2017

Section 1

Description of the Concession

State Forest Authorization –State Forest Exploratory Permit (SFA-SFEP 2) is a forest area of size 412,320.81 hectares or 1,018,862.84 acres and is located in the Essequibo region (North West, Mazaruni Potaro District). The concession is in Northwest Guyana in Region One in the Barima Waini, and Region 7 in the Cuyuni-Mazaruni sub-regions.

This area forms part of the concession which was previously allocated (leased) to Barama Company Ltd. in 1991 and which is now available for allocation following the expiration of that lease in October 2016. The previously leased area has now been divided into four parts; two of these are for issuance as SFEPs.

An SFEP is the precursor state to the possible issuance of a State Forest Authorization-Timber Sales Agreement (SFA-TSA). The award of an SFEP is for a maximum period of three (3) years; the awardee has to conduct forest inventories, prepare/submit a business plan, and an Environmental and Social Impact Assessment (ESIA) within this three (3) year period.

Once these obligations are satisfactorily met, the awardee can apply for the conversion of the SFEP into a State Forest Authorization-Timber Sales Agreement (SFA-TSA) which allows for full harvesting rights in accordance with the legislation and sustainable forest management guidelines.

This Expressions of Interest is relevant to the areas referred to in Annex 1 as SFA-SFEP 2.

The concession has a high occurrence of a number of high value commercial timber species, including Baromalli, Greenheart, Purpleheart, Mora, Wallaba, Crabwood and Kabukalli, among others.

Forest Vegetation and Annual Allowable Cut of Area

There are four main forest type groupings in the concession. This is shown in the table below:

SFA – SFEP Area 2

Vegetation Types	Hectares	%
1h High hills	88,207.88	21.39
1C Mixed Forest, deeply dissected	87,050.80	21.11
1b Mixed Forest, flat to undulating	75,784.31	18.38
1 Mixed Forest, undulating to hilly	150,125.67	36.41
1p low small- stemmed on steep high hills	2,650.44	0.64
3b Mora	246.98	0.06
3 low swamp	234.12	0.06
Total data Coverage	404,300.20	98.05
Tsa-2 Area	412,320.81	100
No Data	8,020.61	1.95

The largest part of the vegetation structure is mixed forest, on undulating to hilly terrain accounting for 150,125.67 hectares, followed by 88,207.88 hectares on high hills and to a much smaller extent, low swamp of 234.12 hectares.

Approximately 78% of the concession is made up of productive forest types with total nonproductive forest types totaling 91,092 hectares.

There is a high occurrence of prime commercial species and the area can be harvested based on a cutting cycle between 25 to 60 years. This area was not subject to any harvesting activities by the previous lease holder and is ideal for long term planning and management. The table below shows the maximum volume that can be extracted using this cycle:

Folio	Total Area Size (ha)	Productive Forest (ha)	Sustainable Annual Production (m3)	Allowable Annual Area to be harvested (ha)	Number of Blocks
TSA 2	412,321	321,229	81,806	4,090	41

Access to Area

The area can be accessed via the Puruni Road or Cuyuni River.

Surrounding Community and Concession Network

The concession is neighbouring to other concessions holders including Garner Forest Industries, Hi-Tech Construction Inc., Toolsie Persaud Limited, Willems Timber & Trading TSA 01/91.

Mining permits are also issued in the forest area.

Section 2

Valuation of the Forest Concession

Analyses of the value of timber stock in the concession were based on sustainable forest management (SFM) computations using a rotation cycle of 60 years and a harvesting intensity of 20m³/ha over that period.

This assessment uses a productive area size of the concession as 78% or 321,229 hectares, operating with a sustainable annual production level of 81,806 m³ over an area size of 4,090 hectares annually. Production is valued at US\$150/m³; the average market price in 2016 is US\$188/m³.

<i>Total Valuation based on SFM Principles</i>	
<i>Concession Previously Allocated within TSA 04/91</i>	
Area Size (ha)	412,320.81
Total Productive Area (78 % of area size)	321,610.23
Sustainable Allowable Harvest (m ³) (over 60 years cycle at 20 m ³) (some productive areas have been excluded)	4,908,360
Value of Timber Stock (Log price at US\$150 per m ³) per annum	12,270,900
Total Valuation of TSA 2 over 60 years	785,337,600
Sustainable Annual Allowable Harvest (m ³)	81,806

Annex 1 - Map of SFA-SFEP 2

SFA-SFEP 2 in relation to the previously leased concession.

