



Guyana Forestry Commission

Invitation for Expression of Interest

**STATE FOREST AUTHORIZATION AREA 1:
State Forest Exploratory Permit (SFEP)**

(Area within Forest Concession Previously Allocated as TSA 04/91)

Description and Background Information

Deadline for Expression of Interest: January 20, 2017

Section 1

Description of the Concession

State Forest Authorization- State Forest Exploratory Permit (SFA-SFEP) Area 1 is a forested area of size 443,013.26 hectares or 1,094,705.23 acres and is located in Essequibo (North West, Mazaruni Potaro District), Guyana. The concession is in Northwest Guyana, Region One- Barima Waini; and Region 7- Cuyuni-Mazaruni sub-regions.

This area forms part of the concession 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 Expression of Interest is relevant to the areas referred to in Annex 1 as SFA-SFEP 1.

The concession area 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-TSA Area 1

Vegetation Types	Hectares	%
1h High hills	47,825.84	10.80
1C Mixed Forest, deeply dissected	63,193.17	14.26
1b Mixed Forest, flat to undulating	10,060.67	2.27
1 Mixed Forest, undulating to hilly	301,362.18	68.03
3b Mora	11,334.11	2.56
3 low swamp	108.88	0.02
Clearing	1,499.66	0.34
Total data Coverage	435,384.50	98.28
TSA 1- Area	443,013.26	100
No Data	7,628.76	1.72

The largest part of the vegetation structure is mixed forest on undulating to hilly terrain accounting for 301,362.18 hectares of the concession, followed by 63,293.17 hectares of mixed forest deeply dissected and to a much smaller extent, low swamp of 108.88 hectares. Approximately 88% of the concession is made up of productive forest types with total nonproductive forest types totaling to 49, 434.38 hectares. There is a high occurrence of prime commercial species.

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 estimated 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 1	443,013	393,579	100,231	5,012	50

Access to Area

The Northern area of the concession is accessed via Port Kaituma road.

Surrounding Community and Concession Network

The concession is neighbouring to other concessions holders including Jaling Forest Industries Inc., Forest Enterprise Ltd. CPT Inc., Baramita Amerindian Community. Mining permits have also been issued in the forest area.

Section 2

Valuation of the Forest Concession

The value of timber stock was computed using a rotation cycle of 60 years and a harvesting intensity of 20m³/ha over that period (based on SFM guidelines).

The productive area size of the concession is 88% (393,579 hectares); the sustainable annual production level is 100,231m³ over an area size of 5012 hectares annually. Production is valued at US\$150/m³; average 2016 market price for logs is US\$188.

<i>Total Valuation based on SFM Principles</i>	
<i>Concession Previously Allocated within TSA 04/91</i>	
Area Size (ha)	443,013.26
Total Productive Area (88 % of area size)	393,579
Sustainable Allowable Harvest (m3) (over 60 years cycle at 20 m3) (some productive areas are excluded)	6,013,887
Value of Timber Stock (Log price at US\$150 per m3) per annum	15,034,650
Total Valuation of TSA 1 over 60 years	902,079,000
Sustainable Annual Allowable Harvest (m3)	100,231

Annex 1 - Map of SFA-SFEP 1 SFA-SFEP 1 in relation to the previously leased concession.

