

ANNEX VII – SUPPORTING MEASURES AND FINANCING MECHANISMS



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ANNEX VII

SUPPORTING MEASURES

The forest sector in Guyana remains an important contributor to the national economy, generating employment and contributing to poverty reduction. The forest sector is also key for interventions in Guyana's Green Development Agenda in attracting resources from the international community to ensure the conservation and sustainable utilisation of its forest resources. In complimenting resources from the international community, Guyana commits to include funding from national budgetary allocations to support the development of the value-added sector of the industry.

Guyana will take a range of supporting measures, as indicated in Article 15(1) of this Agreement, in cooperation with the Union and its Member States and other development partners to implement this Agreement effectively. These include measures to:

1. Strengthen implementing structures to ensure effective coordination
2. Strengthen the regulatory and legal framework
3. Support the development and operationalisation of the GTLAS
4. Build capacity
5. Communicate
6. Monitor the implementation of the Agreement
7. Monitor the impacts of the Agreement
8. Create a dedicated space for dialogue on land tenure, land use and conflicts
9. Carry out market improvements and industry development
10. Finance mechanism for implementing the Agreement

Possible supporting measures are outlined below. These will be further developed into detailed action plans at an early stage of the implementation of this Agreement.

1. STRENGTHEN IMPLEMENTING STRUCTURES TO ENSURE EFFECTIVE COORDINATION

Institutional structures will be strengthened to enable smooth operation and coordination between Government and non-government bodies involved in implementing this Agreement, namely the FLEGT VPA Secretariat, the Government Coordination Body and the National Implementation Working Group (NIWG). In preparation for implementation, support to build capacity within these structures will be a priority.

2. STRENGTHEN THE REGULATORY AND LEGAL FRAMEWORK

Parallel to the implementation of the GTLAS, Guyana will examine the regulatory and legal framework applicable to the forestry sector with the aim of strengthening and implementing all relevant policies, laws, regulations, statutes, strategies, guidelines, voluntary measures and codes of practice and conduct. Key measures may include:

- a) Review and improve the efficiency of the regulatory framework;
- b) Review and improve the coherence of the legal framework;
- c) Develop and implement regulations related to due diligence;
- d) Develop and implement regulations related to the WTS;
- e) Develop and implement codes of practices related to the forest sector;

- f) Develop and encourage the implementation of codes of practices for Amerindian villages .

3. SUPPORT THE DEVELOPMENT AND OPERATIONALISATION OF THE GTLAS

The GTLAS will build on existing systems and structures already operating in Guyana. Support is required to upgrade systems to ensure verification of compliance with the legality definition contained in Annex II and with the supply chain controls and procedures described in Annex V. The supporting measures will focus on action needed to establish the functional capacity across a number of different Ministries and Government Agencies and on the introducing independent audit. They involve expanding and updating the WTS, as well as establishing the legality verification function, the FLEGT licensing system, the independent audit function and the complaint mechanism.

3.1. Supply chain (WTS)

Guyana will expand and update the system of traceability and verification to ensure the near real-time availability of information throughout the supply chain to ensure compliance with GTLAS requirements as set up in Annexes II, IV and V. The key enhancements to the existing system include the following:

- a) Upgrade GFC's internal databases.
- b) Develop and deploy the Central Information Database (CID) for securely archiving compliance data and information related to each FSO.
- c) Improve Information and Communication Technologies systems for reliable and secure transmission and exchange of data and information (especially from hinterland areas) between all Ministries and Government Agencies involved in the GTLAS verification activities, and among the various GFC divisions and units involved in implementing the Agreement.
- d) Upgrade the WTS to allow for the online submission of supply chain-related information by FSOs.
- e) Upgrade the WTS to allow for the validation and reconciliation of supply chain data by the GFC.

3.2. Control and verification

Guyana shall develop systems for the verification of compliance with all indicators within the Legality Definition and for the supply chain controls. Key measures may include:

- a) Expand the roles and responsibilities, including by developing detailed procedures, of GFC's current Internal Audit Unit to include the auditing of the elements of the GTLAS under the GFC;
- b) Support active monitoring of the GTLAS through audits conducted by the Internal Audit Unit.
- c) Develop and implement procedures for the control and verification of the compliance with the Legality Definition and the supply chain controls.

3.3. Licensing

Guyana shall develop a unit and implement detailed procedures for the issuing of FLEGT licences and Export Certificates as well as for the necessary inter-agency coordination. The key enhancements to the existing system include the following:

- a) Create and set up the Management Information System Unit (MISU) to input, verify, update, and store data on FSOs legal compliance with the requirements of the GTLAS; .

- b) Create and set up the Timber Legality and Trade Unit (TLTU) in charge of issuing FLEGT licences and Export Certificates;
- c) Develop the FLEGT licensing system;
- d) Create and develop procedures with other agencies involved in the GTLAS, in particular Customs, to ensure the good functioning and efficiency of the licensing process for export.

3.4. Independent audit

Guyana will contract upon the provision of non-objection by the JMRC an independent auditor to evaluate the functioning of the system, identify potential gaps, and determining corrective actions to improve the operation, credibility, and efficiency of the GTLAS.

3.5. Complaint mechanism

The complaint mechanism will identify, record and manage cases of non-compliance by FSOs of their legal requirements under the GTLAS, until their resolution. The key support measures needed to implement the complaint mechanism are:

- a) Developing and implementing procedures for receiving, handling and resolving complaints regarding all Ministries and Government Agencies involved in the GTLAS. The mechanism should allow the receipt, handling and resolution of complaints from FSOs and the general public, during the implementation phase of the GTLAS and during the licensing phase of the VPA.
- b) Developing an effective stakeholder complaints mechanism to ensure that concerns from communities and FSOs are articulated and communicated to the relevant body.

3.6. Joint Evaluation of the GTLAS

The GTLAS will undergo an independent assessment on the basis of the criteria set out in Annex VIII to determine whether it fulfils adequately its functions and thus the FLEGT licensing scheme can commence.

4. BUILD CAPACITY

All parties involved in implementing this Agreement in Guyana will require some capacity building, including: technical training for Ministries and Government Agencies and their staff, including the Forestry Training Center Inc. (FTCI), the FLEGT VPA Secretariat, the GFC, the Revenue Authority and the Ministry of Social Protection; training and building administrative capacity of logging associations and Amerindian Villages; training of civil society; training of FSOs other than logging associations and Amerindian villages.

5. COMMUNICATE

Communication supports the implementation of the Agreement by means of encouraging the involvement of all concerned stakeholders, ensuring public access to information, promoting the image of the Guyanese timber and forest sector and promoting the benefits of this Agreement among the stakeholders and the wider public. To this end, key measures to ensure effective communication of the results as well as impacts of this Agreement may include: implementing a communication strategy; organising annual national level consultation/awareness raising sessions; providing annual updates on advances on key milestones on the implementation of the Agreement through the GFC's website, social media forums, the local press and local radio sessions; maintaining a digital and regularly updated record of all stakeholders' feedback; and developing an information exchange platform for consistent dissemination of information.

6. MONITOR THE IMPLEMENTATION OF THE AGREEMENT

The Joint Monitoring and Review Committee (JMRC) shall have overall responsibility for monitoring the implementation of the Agreement. In addition, other stakeholders, including from the private sector, civil society and indigenous peoples, will monitor the implementation of the Agreement and, in so doing, contribute to the effective implementation of the GTLAS. To this end, key measures may include support to the National Implementation Working Group (NIWG) and stakeholders, including from the private sector, civil society and indigenous peoples, to effectively monitor the Agreement and GTLAS implementation.

7. MONITOR THE IMPACTS OF THE AGREEMENT

Monitoring the social, environmental and economic impacts of the Agreement is necessary to ensure that it achieves its intended aims. To this end, key support measures may include: establishing a monitoring system or improving existing systems where necessary, including baselines and agreed indicators covering elements such as forest management and forest condition, livelihoods, governance; revenue generation and economic development, market performance; establishing and implementing synergies between the Agreement and the REDD+ mechanism. The JMRC shall establish effective monitoring as indicated in Annex X.

8. CREATE A DEDICATED SPACE FOR DIALOGUE ON LAND TENURE, LAND USE AND CONFLICTS

Although the purpose of this Agreement is not to address land issues, a coordination mechanism providing a dedicated space for dialogue on land tenure, land use and conflicts over land use among all concerned parties is instrumental in strengthening governance and law enforcement. In that context, complaints relating to Amerindian land issues that are brought to the attention of Government Ministries and Agencies in the framework of the implementation of this Agreement will be channelled to the Grievance and Redress Mechanism of the current Amerindian Land Titling Project and its successor entity beyond the life of that project. To this end, support will be provided to the Grievance and Redress Mechanism and its successor.

9. CARRY OUT MARKET IMPROVEMENTS AND INDUSTRY DEVELOPMENT

9.1 International market

To ensure that the forest sector in Guyana continues to be a key contributor to the local economy, generating employment opportunities in urban and rural areas and contributing to poverty reduction, Guyana will develop a marketing strategy to promote access of Guyanese forest products to the Union's market during the development and the licensing phase of the GTLAS.

9.2 Domestic market

The supply of legal and quality timber products on the domestic market is imperative to safeguard against any illegal activities that may undermine the Agreement's implementation. To this end, key measures may include: assessing the barriers to legality compliance on the domestic market; improving the legal framework relating to the domestic market; developing

public procurement policies; and strengthening the capacity and incentives for compliance, notably by the small and medium enterprises.

10. FINANCE MECHANISMS FOR IMPLEMENTING THE AGREEMENT

Financial resources will need to be mobilised for the implementation of the Agreement. Detailed measures and budgets for the areas described in this Annex will be developed. With support from the Union, Guyana will work jointly and with other donors to gain access to the necessary funding. Key measures may include: developing a fund mobilisation strategy to secure the development of the GTLAS; and collaborating with the Ministry of Finances to ensure that the annual operational budget of each Ministry and Government Agency involved in the implementation of the GTLAS enables it to meet its obligations under the GTLAS when it is operational.