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ANNEX I

to the Commission Implementing Decision on the financing of the annual action plan in favour of Guyana for 2023 to be financed from the general budget of the Union

Action Document for Guyana Forest Partnership - Support to FLEGT Joint Implementation Framework (JIF)

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Guyana Forest Partnership - Support to FLEGT Joint Implementation Framework (JIF) OPSYS number: ACT-61686 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes The “Joint Guyana-Suriname Forest Partnership TEI” for the protection, restoration and sustainable use of Guyana’s and Suriname’s rainforests, savannahs and mangroves.
3. Zone benefiting from the action	The action shall be carried out in Guyana
4. Programming document	Multiannual Indicative Programme for Guyana for 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Specific Objective 1: Improve forest governance
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Forestry (312)
7. Sustainable Development Goals (SDGs)	Main SDG: Goal 12. Responsible consumption and production (target 12.2 ¹) Goal 13. Climate Action (target 13.b ²) Goal 15. Life on Land (targets 15.1 ³ , 15.2 ⁴) Goal 16. Peace, Justice and Strong Institutions

¹ Achieve the sustainable management and efficient use of natural resources
² Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries, including women, youth and marginalized communities
³ Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, in line with obligations under international agreements.
⁴ Promote the implementation of sustainable management of forests, halt deforestation, restore degraded forests, and increase afforestation and reforestation.

	Goal 5. Gender Equality (target 5.a ⁵) Goal 8. Decent Work and Economic Growth Goal 17. Partnership for the Goals			
8 a) DAC code(s)	DAC Code 312 Forestry (100%) Sub code 31210: Forestry policy and administrative management (80%) Sub code 31220: Forestry Development (20%)			
8 b) Main Delivery Channel	13000: Third Country Government (Delegated Cooperation)			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance		YES <input type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/>	/

⁵ Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources, in accordance with national laws.

	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	/
	digital skills/literacy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Connectivity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	/
	energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	transport	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020141 Total estimated cost: EUR 2 million Total amount of EU budget contribution EUR 2 million			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1.			

1.2. Summary of the Action

Since 2013, the European Union (EU) has prohibited operators from placing illegally harvested timber on its internal market. As a way to ensure trade in legal timber and timber products, the EU negotiates legally binding bilateral trade agreements with timber-exporting countries. These trade agreements are known as Voluntary Partnership Agreements (VPAs) on Forest Law Enforcement, Governance and Trade (FLEGT). Once a VPA is operational, the timber-exporting country can issue FLEGT licences that guarantee that its timber products are legal. Guyana is the ninth country to have signed a VPA with the EU⁶.

The Guyana-EU FLEGT VPA (hereinafter “the VPA”) aims to reduce illegal logging, improve governance, and promote trade in legally produced timber. It also focuses on the rights of indigenous peoples and local communities, and will boost economic growth by facilitating the creation of jobs in the forest sector and expanding trade opportunities including through a gender perspective.

With the VPA ratified and having entered into force in June 2023, a process will start with implementing the necessary regulatory changes and a subsequent evaluation of the progress. After a successful joint evaluation, timber exports to EU will be accompanied by a FLEGT-license, indicating the legal status of the timber, and securing a green lane into the internal market for legality aspects.

As the VPA will cover all timber export markets (not just EU), and includes also the domestic market, the VPA will guarantee the sustainable management of the country’s entire production forest area (roughly 40% of the land area), thereby promoting carbon sequestration and climate change mitigation. The legality of timber products will

⁶ The EU and Guyana signed the VPA FLEGT in December 2022 at the Fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 15), Montreal (Canada).

be verified through the Timber Legality Assurance System (TLAS), the backbone of the VPA, which for Guyana is set to be developed in the context of the Joint Implementation Framework (JIF). The JIF is the operational framework comprising all FLEGT VPA implementation activities required for Guyana to achieve the FLEGT licensing standard. This specific action will support the further development and roll-out of the JIF, thereby contributing to improving sector governance, development and implementation of the TLAS, reforming laws and policies, strengthening law enforcement, enhancing transparency and accountability, and increasing stakeholder participation in law and policymaking processes.

This action is linked to Objective 1 of the Guyana Multi-annual Indicative Programme (MIP) 2021-2027: *Improve Forest Governance*. It specifically refers to “a component for improvement of forest governance via, amongst others, continuation of the EU VPA-FLEGT process (through implementation of the Joint Implementation Framework)”.

The overall objective of this action is to contribute to the achievement of a Green Economy via a low emission economic-development pathway, as specified in Guyana’s Revised Intended Nationally Determined Contribution (2022) and its national policy document, the Low Carbon Development Strategy 2030 (LCDS), by strengthening Guyana’s forest governance and sustainable forest management and implementing the EU-Guyana FLEGT-VPA.

This will ultimately result in increased carbon sequestration and higher biodiversity values of managed forest ecosystems, improved market access and the creation of green jobs, and the protection of the rights of women, indigenous peoples and vulnerable populations in relation to forests.

This action is fully in line with the **Memorandum of Understanding on Forest Partnership** that the EU and Guyana signed at the 2022 United Nations Climate Change Conference (COP 27, November 2022), which among other aims to provide a framework to engage in a policy dialogue on issues affecting forests, such as deforestation, and forest degradation in Guyana.

The action will contribute to the **EU Gender Action Plan III (2021-2025)** and specifically to its overall objective: “Women in all their diversity influence decision-making processes on environmental conservation and climate change policies and actions” and will implement a rights-based approach with regard also to indigenous peoples and vulnerable populations.

The implementation of the programme will be closely aligned with the EU funded programme “**Support for the implementation of the FLEGT VPAs**” (INTV-15274) implemented by the French Development Agency (AFD). It will also be closely coordinated with the roll-out of the Forest Partnership and any actions programmed under the Technical Cooperation Facility. In addition, synergies will be sought with the EU funded programme “**Sustainable forest livelihoods for communities of Guyana and Suriname**” for the period 2023-2027 (PC-20002), also implemented by AFD, which will build on and complement the advances that have occurred under the EU-FLEGT initiative. Finally, the programme will also build on the results achieved through the UK-funded European Forest Institute Technical Assistance Programme (EFITAP), which has supported the implementation of the VPA.

The FLEGT VPA between the EU and Guyana is also linked to the **EU Global Gateway** as it promotes legal and sustainable timber trade, which is an important area for EU businesses. Through the FLEGT VPA, Guyana is able to provide assurance to EU buyers that its timber comes from sustainable sources and meets the strict legality requirements of the EU Timber Regulation. The FLEGT VPA also supports Guyana's efforts to reduce greenhouse gas emissions from deforestation and forest degradation. By promoting sustainable forest management practices, the FLEGT VPA helps to preserve Guyana's valuable forest resources, which play a key role in mitigating climate change.

Link to SDGs

The EU FLEGT is linked to several SDGs (5, 8, 12, 13, 15, 16 and 17). This action is directly linked to 12, 15 and 16, and indirectly to 5, 8, 13 and 17.

UNFCCC Paris Agreement - Intended Nationally Determined Contribution

Guyana has made the finalisation and completion of the FLEGT VPA one of its unconditional contributions (forestry sector) in its revised Intended Nationally Determined Contribution (2022) under the Paris Agreement on Climate Change.

From a gender perspective, the Article 7 of the Paris Agreement states that adaptation actions should follow a country-driven, gender-responsive, participatory and fully transparent approach, taking into consideration groups in vulnerable situation, communities and ecosystems. Additionally, the Article 11 recommends that capacity-building should be guided by lessons learned, and should be an effective, iterative process that is participatory, cross-cutting and gender-responsive.

2. RATIONALE

2.1. Context

Forests cover approximately 85% of Guyana's land area, making it one of the most forested countries in the world. Guyana's forests are globally recognized as extremely valuable reservoirs of biodiversity. A high proportion of the forests (roughly 45%) of Guyana is primary forest, and the vast forest area comprises an important stock of carbon (19.5 GtCO₂eq). While about half of the country's forests are used for timber extraction, forests fulfil multiple land-use functions and are an essential part of the national patrimony.

8.4% of the country's land mass is currently part of a National Protected Areas System (NPAS), comprising primarily of forests. The government has set the target of increasing the NPAS to 30% by 2030. Some privately owned Indigenous villages are also located in forests and in some cases the forests are used for both daily subsistence and wood production. The government's objective is to sustain 99.5% of the current forest cover. Guyana has one of the lowest deforestation rates in the world, averaging 0.06% over 2016 – 2020.

Forestry provides approximately 21,000 jobs (about 6.6% of the total), mainly in the rural and hinterland areas. In 2018, the value of timber exports amounted to US\$38 million, of which about 58% originated from sawn timber or other processed timber. The Asia/Pacific region accounted for the largest market share of exports (40%), followed by the Latin American/Caribbean region (33%), the North America region (18%), and with the remaining (8%) exported to Europe, about half of which can be attributed to the EU market. In 2021, the value of timber exports to the EU amounted to about 2 million Euro, about half of which came from sawn timber, 30% from round logs, and the remainder from poles, furniture, and other products.

The FLEGT VPA is instrumental in upgrading the standards of the entire wood sector – irrespective of market destination; and, in doing so, it provides the basis for sustainable use and management of the production forests. Guyana considers the FLEGT VPA to be crucial to the improvement of sustainable forest management and governance and became the first South American country to commence negotiations with the EU in 2012. The government's commitment to pursue negotiations culminated in the signature of the VPA in December 2022, and entry into force is expected by June 2023.

The importance of the VPA to Guyana is also reflected in the Low Carbon Development Strategy (LCDS) where finalising the VPA is listed as a requirement for promoting sustainable forest management. The inclusion of the VPA in the LCDS (Guyana's green policy) has its roots in the government's initial request for information about FLEGT in December 2009, which was a result of the *Guyana–Norway Memorandum of Understanding on Climate Change*, in which Norway referenced FLEGT and progress on VPA negotiations as a proxy for good governance. Additionally, VPA negotiations coincided with a shift in gender roles in Guyana forest sector, including in administrative, decision-making and working on the ground functions. Thanks to women's supported role in community-based initiatives during the negotiations, they are now involved also in timber production and exports⁷. According to the Board of the Guyana Forestry Commission, half a million hectares of forest have been allocated to

⁷ (VPA ALA Facility, 2019). *Progress for women in Guyana's forest sector – VPA Africa – Latin America Facility*. Accessed through <https://flegtvpafacility.org/progress-women-guyanas-forest-sector/>

community forestry initiatives that are predominantly under the leadership of women loggers, their internal figures from 2019 indicated women as 45% of forestry labour force⁸.

The VPA is also an important element in the Guyana revised Intended Nationally Determined Contribution (INDC, June 2022)⁹. The intended unconditional contribution in the forest sector is formulated as follows:

- *“Continue and improve ongoing work to realize sustainable forest management. GFC will ensure compliance with the various Codes of Practice that govern the timber industry using local resources.*
- *Forest monitoring will maintain a high level of timber legality, with the GFC committing 50% of its staff to field monitoring from its 54 forest monitoring stations countrywide. These efforts will maintain a low rate of illegal logging (at less than 2% of production).*
- *Guyana is also prepared to finalize and implement the Voluntary Partnership Agreement (VPA) under EU-FLEGT. The VPA is expected to be finalized in 2016 and to provide independent accreditation of forest legality and management practices throughout Guyana’s timber industry”.*
- *It is worth noting that the NDC also specifies Guyana’s preparedness “to improve added- value activities locally to assist in creating a higher potential for carbon storage in long-use wood products. This could also potentially reduce the pressure on forest resources as derivation of a higher value may result in reduced harvest levels.”*

Since the commencement of negotiations in 2012, the Guyana EU FLEGT VPA has improved the level of dialogue between the Guyana Forestry Commission (GFC) and forest sector stakeholders, including private sector and Indigenous Peoples, who continue to be actively engaged through government agencies and civil society.

The Guyana Timber Legality Assurance System (GTLAS) is the core element of the VPA. It defines the different elements that, combined, will ensure that timber products exported from Guyana to the EU and other markets are verified legal according to specified requirements for all stages of the supply chain from import and harvesting onwards. Achieving FLEGT licensing standards will require that the GTLAS is fully operational.

A Joint Monitoring and Review Committee (JMRC) comprised of the EU and Guyana constitutes the political and highest bilateral decision-making body with the responsibility for facilitating, monitoring and evaluating VPA implementation. The JMRC’s decisions are legally binding and become practice under the Vienna Convention of the Law of the Treaties. Before entry into force, this body was preceded by the pre-JMRC, which convened twice since 2022.

In 2019, Guyana developed the Joint Implementation Framework (JIF), which guides implementation of activities required to achieve FLEGT licensing. It serves as a roadmap for the implementation of the VPA, outlining the specific steps, timelines, and responsibilities in achieving the VPA’s objectives. The JIF provides for a structure that monitors the implementation of the VPA through the Joint Monitoring Review Committee (JMRC) that has oversight of the process under the VPA. The process will culminate in a Joint Evaluation to determine Guyana’s readiness for FLEGT licensing. The deadline for Guyana to complete the strategic tasks under the JIF and be deemed ready for FLEGT is 2026, which would entail that Guyana will have achieved FLEGT licensing standards for export to EU markets.

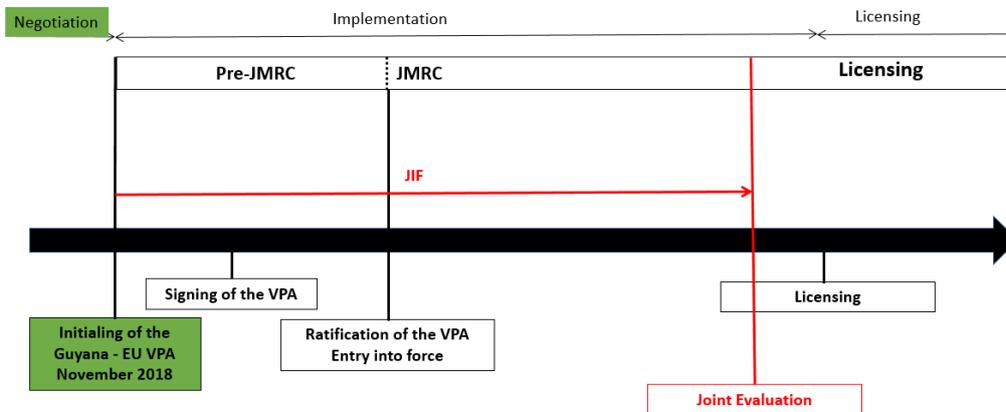
This specific action will support the implementation of the JIF, thereby contributing to improving sector governance, reforming laws and policies, strengthening law enforcement, enhancing transparency and accountability, and increasing stakeholder participation in law and policymaking processes.

The VPA Implementation Process has the following phases, supported by the JIF:

⁸ Ibid.

⁹ <https://unfccc.int/documents/497557>

Planning for implementation



The National Implementation Working Group (NIWG) is Guyana’s internal governance structure comprised of government, civil society (including Indigenous Peoples) and private sector stakeholders, responsible for the day-to-day implementation of the VPA. It is chaired by the GFC and will provide guidance to the JMRC once established. The FLEGT VPA Secretariat is part of the GFC and serves as the secretariat to the NIWG. The Secretariat coordinates and facilitates activities to be implemented in accordance with the annual work plan approved by the NIWG.

Through the VPA, all Forest Sector Operators (FSOs) in the Guyana forest sector must upgrade their standards to meet the FLEGT legal requirements. FSOs are therefore central to achieving the FLEGT licensing standard. Subsequently, the VPA assigns significant importance to building their capacity, in order to enhance their readiness for FLEGT licensing which in turn also promotes the sustainable use of forest resources through the enhancement of forest governance pillared by both public and private sector.

Inclusive and meaningful participation of all forest stakeholders, such as indigenous peoples’ women and men, local communities, and civil society (incl. organisations representing persons with disabilities (DPOs)), in forest-related decision-making and governance, is central to the VPA. Strengthening the participatory skills of all stakeholders in the process, with special attention to women and men, girls and boys living in vulnerable situations, is therefore an essential element of the implementation of the Agreement.

2.2. Problem Analysis

Compliance of forestry operations with Guyana’s robust forest standard would ensure the continued implementation of selective logging practices with minimal negative impacts to the remaining stand, which will result in sustainable forest management and increased ecosystem services, including increased carbon sequestration. Forest activities are monitored by the Guyana Forestry Commission (GFC) and other Timber Legality Assurance System (TLAS) agencies, but full compliance with legal standards is not always guaranteed. The full implementation of the VPA and the GTLAS will require the GFC (and other GTLAS agencies) to diligently monitor compliance in the forestry sector, which will lead to sustainable forest management practices.

A core component of the EU FLEGT Voluntary Partnership Agreement (VPA) with Guyana is the Timber Legality Assurance System (TLAS), accompanied by independent monitoring and wide stakeholder engagement. The TLAS is a system of checks and controls which will be used to verify the legal production of timber and wood products. It consists of:

1. The legality definition, including a set of indicators and associated verifiers;
2. A set of standard operational procedures, outlining the details of legality and supply chain controls;
3. The specifications of the FLEGT-licensing system; and

4. The specifications of the Independent Audit of the system.

Through the implementation of the TLAS, Guyana will need eventually to develop an IT-system to facilitate and ensure the enforcement of the legal framework. The current control systems of the forestry sector are mostly paper-based, and the development and implementation of the TLAS will therefore largely improve the effectiveness of the GFC and the other TLAS agencies for the execution of their mandate.

Stakeholders will have to be supported to be able to fully comply with the requirements of the VPA to guarantee access to the internal market of the EU when the system is operational, and to ensure their involvement and participation in the development and implementation of the system. Additional support will be needed for the independent monitoring and evaluation of the system. The MIP has incorporated sex disaggregated and gender specific data as a tool to be used in this action, thereby encouraging actors in the forestry sector to systematically adopt a gender lens when planning, implementing and reporting on activities¹⁰.

The interior of Guyana is sparsely populated and difficult to access, the dominant population there being Indigenous. The large hinterland supports traditional income-earning sectors, mainly mining (precious minerals and bauxite) and forestry, which are responsible for deforestation and land degradation. Many indigenous peoples are among the most affected by biodiversity loss and other environmental harm because of their close relationship with and reliance on nature. At the same time, they are often best situated to protect against biodiversity loss through traditional knowledge, customary laws, sustainable use of natural resources, and collective land ownership and management practices.¹¹

Guyana has a very low deforestation rate (0.06%), and forest loss is mostly the result of (illegal) mining, not so much resulting from (illegal) forestry activities. While not very relevant for deforestation, (illegal) forestry activities are having a considerable negative impact on the integrity of forest ecosystems, as they are often leading to forest degradation. The human rights harms associated with biodiversity loss disproportionately fall on those who depend directly on nature, and those who are already in vulnerable situations due to poverty, marginalization, disability or other circumstances and characteristics, and thus biodiversity loss can contribute to widening inequality. This reduces the resilience of forest ecosystems to climate variability and other external stress factors, and lowers the capacity of forests to deliver ecosystem services.

Having a EU FLEGT VPA in Guyana can provide several benefits, including:

1. Improved forest governance: The VPA can help improve forest governance in Guyana by promoting transparency, participation, and accountability in the country's forest sector.
2. Reduced illegal logging: The VPA can help reduce illegal logging in Guyana by establishing a system to verify the legality of its timber exports.
3. Increased market access: The VPA can increase market access for Guyana's timber products, particularly in the EU market, by demonstrating their legality and sustainability.
4. Facilitate compliance of the private sector with the upcoming national certification standard: Guyana is currently developing a national certification standard which will allow private sector actors to access consumer markets demanding sustainable timber. The VPA-process and associated support for private sector will be a stepping-stone for forest sector operators to comply with the national standard.
5. Increased incentives for sustainable forest management: The VPA can provide incentives for sustainable forest management practices by promoting responsible forest management and ensuring that timber products are harvested and traded legally and sustainably; enhancing at the same time adaptation capacities of the authorities.
6. Capacity building: The VPA can provide opportunities for capacity building and knowledge transfer by providing technical assistance and training to support Guyana's efforts to strengthen its forest governance and management systems.

¹⁰ Country Level Implementation Plan – CLIP Guyana GUYANA

¹¹ KM Biodiversity 26 feb Light. Human Rights and Biodiversity key messages

7. Improved livelihoods: The VPA can contribute to improved livelihoods for local communities in all their diversities that depend on forests in Guyana by ensuring that their rights are respected and that their participation is included in forest management decisions.
8. Enhanced global climate action: The VPA can contribute to global climate action by promoting responsible forest management practices, reducing emissions from deforestation and forest degradation, and supporting REDD+ efforts (mainly readiness activities) in Guyana.

Overall, the EU FLEGT VPA with Guyana has the potential to bring about significant positive environmental, social, and economic impacts. It can help to ensure that the country's forests are managed sustainably and legally, while also supporting the development of local communities that depend on these forests. Equal opportunities and access to capacity building, leadership roles and entrepreneurship (including in eco-tourism), are some areas where women can forge a strong presence. Indigenous women in particular are the backbone of hinterland communities and are the first to face the brunt of environmental degradation as they rely on the forest for their livelihoods and sustenance.

With increased transparency and accountability in the forestry sector, the VPA can also help to reduce illegal logging and associated problems such as corruption, biodiversity loss, and deforestation.

Additionally, the VPA can contribute to global efforts to combat climate change by reducing emissions from deforestation and promoting responsible forest management practices that protect carbon sinks. This action, in support of the VPA process, intends to support the operationalisation of the Guyana Timber Legality Assurance System (GTLAS), which is needed to ensure compliance with the VPA and the implementation of sustainable forest management practices and support stakeholders (government, private sector, vulnerable groups, civil society and women's organisations) to comply with legal requirements.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Stakeholders can be organised into the following 4 groups:

1. The *Government of Guyana* is the main stakeholder and signatory to the VPA. Political representation is endorsed by the Ministry of Natural Resources, whereas its sub-agency the Guyana Forestry Commission leads on technical and daily implementation. Sixteen other government agencies are responsible for implementing the Guyana Timber Legality Assurance System (GTLAS), and include:
 - Guyana Revenue Authority
 - Ministry of Amerindian Affairs
 - Ministry of Labour
 - National Insurance Board
 - Guyana Lands and Surveys Commission
 - Guyana Geology and Mines Commission
 - Environmental Protection Agency
 - Deeds and Commercial Registries Authority
 - Friendly Societies Registry
 - Department of Co-operative Societies
 - Deeds Registry
 - Land Registry
 - National Plant Protection Organisation
 - Wildlife Conservation and Management Commission
 - Ministry of Public Works
 - Office of the President

Most of the GTLAS agencies conduct their controlling function in a manual way without the support from digital systems. The development and implementation of the GTLAS will eventually change this and will therefore become a powerful tool for those agencies to fulfil their mandate. Several of the agencies comprising the GTLAS currently lack the capacity to implement controls efficiently and effectively.

2. The *private sector* is comprised of Forest Sector Operators (FSOs) ranging from small loggers, medium and large scale concessionaires, saw millers, retailers and exporters of wood products. Logs and lumber constitute the main wood products as opposed to Non Timber Forest Products (NTFPs). The private sector is generally organised into associations of wood companies, loggers, saw millers and other local actors in the value chain. These are represented on the VPA's National Implementation Work Group (NIWG) through the Forest Products Association comprising a membership of more than 50 FSOs, and the Guyana Manufacturing and Services Association (GMSA) comprising bigger wood companies.

Many loggers operate informally at the moment, e.g. without having contracts in place for employees, or working with employees that are not covered by social security. The implementation of the VPA, with the rolling out of the TLAS and capacity building, as well as supplementary measures, will address this. Business margins from the forest sector are slim. Access to high-end consumer markets such as the EU would address this issue.

3. *Environmental organisations* are represented (on the NIWG) by Conservation International, World Wildlife Fund (WWF) and the Iwokrama International Research and Conservation Centre. These organisations work closely with FSOs and Indigenous Peoples and are primary stakeholders in the preservation and sustainable management of Guyana's forests.

The VPA process facilitates environmental organisations to get involved in forestry governance processes, thereby increasing their effectiveness.

4. *Indigenous Peoples' Representatives* were engaged in the VPA negotiations and continue to benefit from active representation on the NIWG. This is ensured through the collective representation of Indigenous Peoples CSOs and the semi-political National Toshias Council (NTC) comprised of village leaders from over 200 titled and untitled communities.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The **Overall Objective** of this action is to contribute to the development of a Green Economy in Guyana.

This will be contributed to via a low emission economic-development pathway, as specified in Guyana's Revised Intended Nationally Determined Contribution (2022) and its updated Low Carbon Development Strategy 2030 (LCDS), including gender and HRBA approaches, by strengthening Guyana's forest governance and sustainable forest management and implementing the Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT) between the EU and Guyana.

The **Specific Objectives** or **Outcomes** of this action are to:

1. Improved compliance of Guyana forest sector governance system with the EU Forest Law on Governance and Trade (FLEGT) requirements, including to operationalise the Guyana Timber Legality Assurance system (GTLAS).
2. Strengthened participation and improved compliance of stakeholders (government, private sector, vulnerable groups, civil society) in the VPA-process, and in the implementation of sustainable forest management practices.
3. Enhanced information exchange for FLEGT compliance between EU and Guyana partners and ensured the long-term sustainability of the FLEGT VPA, through the implementation of the VPA supporting measures, a Joint Evaluation, and strengthening of the private sector.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives are:

Contributing to Specific Objective 1: Improved compliance of Guyana forest sector governance system with the EU Forest Law on Governance and Trade (FLEGT) requirements, including to operationalise the Guyana Timber Legality Assurance system (GTLAS).

- 1.1. Improved regulatory framework, as well as administrative and technical capacities of the government authorities for ensuring the implementation of VPA.
- 1.2. Forestry staff and other government entities have the necessary capacity to implement the control and verification procedures.
- 1.3. IT systems and databases have been developed and are being used to facilitate the implementation of VPA-related procedures.
- 1.4. Independent audit(s) of the TLAS has been carried out to assess status of the implementation of the VPA.

Contributing to Specific Objective 2: Strengthened participation and improved compliance of stakeholders (government, private sector, vulnerable groups, civil society) in the VPA-process, and in the implementation of sustainable forest management practices.

- 2.1. Improved institutional capacities of the agencies involved in the GTLAS for efficient control and verification.
- 2.2. Enhanced capacity of private sector operators for compliance with forestry regulations and implementation of sustainable forest management practices, among other from a gender perspective.
- 2.3. Strengthened participatory capacities of forest management sector rights holders, with particular focus on indigenous peoples, women, and vulnerable groups.

Contributing to Specific Objective 3: Enhanced information exchange for FLEGT compliance between EU and Guyana partners and ensured the long-term sustainability of the FLEGT VPA, through the implementation of the VPA supporting measures, a Joint Evaluation, and strengthening of the private sector:

- 3.1. Improved capacities of GTLAS agencies for monitoring the social and environmental impacts of the VPA to map out the benefits of the process and be able to mitigate any negative impacts.
- 3.2. Improved capacities of the forest value chain, particularly of SMEs (incl. women-led ones) are strengthened (in terms of value added, processing, innovation, entrepreneurship access to finance and markets, etc.).
- 3.3. Improved capacity of stakeholders for providing integrated information flows and monitoring due diligence across the wood supply chain, including demonstrating compliance with the requirements under the Deforestation Regulation in the wood value-chain.

3.2. Indicative Activities

Specific Objective 1 Improved compliance of Guyana forest sector governance system with the EU Forest Law on Governance and Trade (FLEGT) requirements, including to operationalise the Guyana Timber Legality Assurance system (GTLAS).

Output 1.1: Improved regulatory framework, as well as administrative and technical capacities of the government authorities for ensuring the implementation of VPA.

Activities relating to Output 1.1

- Legal reviews of regulatory framework of the forestry sector, revision and improvement of forestry control and verification procedures, development of guidelines and protocols.

Output 1.2: Forestry staff and other government entities have the necessary capacity to implement the control and verification procedures.

Activities related to Output 1.2:

- Capacity building of forestry staff and government entities to implement the control and verification procedures.
- Procurement of equipment and provision of operational budget.

Output 1.3: IT systems and databases have been developed and are being used to facilitate the implementation of VPA-related procedures

Activities related to Output 1.3:

- Development and implementation of IT systems and databases.
- Procurement and deployment of IT infrastructure.

Output 1.4: Independent audit(s) of the TLAS has been carried out to assess status of the implementation of the VPA

Activities related to Output 1.4:

- Short-term technical assistance to conduct independent audit(s)

Specific Objective 2: Strengthened participation and improved compliance of stakeholders (government, private sector, vulnerable groups, civil society) in the VPA-process, and in the implementation of sustainable forest management practices.

Output 2.1: Improved institutional capacities of the agencies involved in the GTLAS for efficient control and verification

Activities related to Output 2.1:

- Assessments of institutional capacities and addressing any capacity gaps within institutions to ensure the effective implementation of control and verification procedures
- Development and implementation of IT systems
- Procurement of equipment and provision of operational budget

Output 2.2: Enhanced capacity of private sector operators (incl. women-led) for compliance with forestry regulations and implementation of sustainable forest management practices, among other from a gender perspective.

Activities related to Output 2.2:

- Needs assessments of private sector operators (incl. women-led) to comply with VPA-requirements
- Capacity building and training of any gaps identified in the needs assessments embedding gender equality

Output 2.3: Strengthened participatory capacities of forest sector stakeholders, with particular focus on indigenous peoples, women, and vulnerable groups

Activities related to Output 2.3:

- Strengthen participatory capacities and skills and consensus building of forest sector stakeholders on sustainable forest governance and forest management practices
- Development and deployment of databases and IT-tools to facilitate participation (incl. women and PWD).

- Procurement of equipment to support stakeholder participation.
- Targeted outreach, incl. needs assessment amongst rights holders in order to contribute to the successful implementation of the VPA (with gender standards), information, and knowledge sharing
- Provision of operational budget to support stakeholder participation, e.g. for the organisation of workshops

Specific Objective 3: Enhanced information exchange for FLEGT compliance between EU and Guyana partners and ensured the long-term sustainability of the FLEGT VPA, through the implementation of the VPA supporting measures, a Joint Evaluation, and strengthening of the private sector.

Output 3.1: The social and environmental impacts of the VPA are monitored to map out the benefits of the process and be able to mitigate any negative impacts

Activities related to Output 3.1:

- Technical assistance for the development and implementation of VPA monitoring mechanisms
- Operational means to implement VPA monitoring mechanisms

Output 3.2: Improved capacities of the forest value chain, particularly of SMEs (incl. women-led ones) are strengthened (in terms of value added, processing, innovation, entrepreneurship access to finance and markets, etc.)

Activities related to Output 3.2:

- Technical assistance to support the Parties for carrying out the Joint Evaluation of the implementation of Joint Implementation Framework

Output 3.3: Improved capacity of stakeholders for providing integrated information flows and monitoring due diligence across the wood supply chain, including demonstrating compliance with the requirements under the Deforestation Regulation in the wood value-chain.

Activities related to Output 3.3:

- Technical assistance for strengthening the forestry sector in terms of value added, processing, innovation, entrepreneurship, etc including through gender perspective.
- Technical assistance to support the Parties and stakeholders with the implementation of the VPA-process.
- Develop technological solutions to provide and to pass on information relevant to the Deforestation Regulation related to due-diligence check across complex wood supply chains.
- Strengthen participatory and inclusive capacities and skills of forest sector stakeholders, including facilitating vertical integration i.e. sustainable connections between producers, processors, and exporters to the EU.
- Development and deployment of databases and IT-tools to facilitate participation.
- Acquisition of equipment to support stakeholder participation leaving no one behind.
- Capacity assessments and capacity building of VPA-stakeholders (public and private).
- Targeted outreach and awareness activities.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental Protection & Climate Change

Environmental protection and climate change are at the core of this action with a clear focus on improved forest governance, management and conservation. In relation to climate change, by protecting the standing forests and harvesting in a sustainable manner, the action will contribute to enhancing Guyana's carbon sequestration and storage capacity and hence to mitigating global climate change. The action contributes directly to implementation of Guyana's Low Carbon Development Strategy and its revised NDC.

At the same time, the action contributes significantly to conservation of biological diversity by increasing the application of Guyana's norms and standards for sustainable forest management with gender standards. This includes provisions for maintenance of forest ecosystem health and enhancement of biological diversity in forest ecosystems.

Outcomes of the EIA (Environmental Impact Assessment) screening:

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

The action does not concern any physical intervention in forests, but instead focuses on institutional support, such as improved forestry control procedures, the development of guidelines and protocols, as well as capacity development of government staff and private sector actors, to comply with the Timber legality (TLAS) requirements – which includes provisions for good environmental management.

Outcome of the CRA (Climate Risk Assessment) screening:

The Climate Risk Assessment (CRA) screening concluded that this action is at no or low risk (no need for further assessment).

The action concerns institutional support for the forest sector and is not directly affected by climate change-related risks. Instead, it will contribute to the sustainable management and conservation of Guyana's forests and thereby to objectives of carbon storage and biodiversity conservation. More specifically, the action contributes to the implementation of the EU-Guyana VPA (Voluntary Partnership Agreement on Forest Legality, Enforcement, Governance and Trade), which is a key element in Guyana's Low Carbon Development Strategy and in the (revised) Nationally Determined Contribution under the Paris Agreement on climate change. For this reason, climate change mitigation has been marked as a principal objective of the action.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the action recognizes gender equality as an important and deliberate objective, but not the principal reason for undertaking the project/ programme.

Therefore, gender equality and empowerment of women, will be both mainstreamed throughout and targeted during the implementation of the action. This action will conduct gender sector analysis to ensure mainstreaming across components and will apply an inter-sectional approach. At the level of both stakeholders and beneficiaries, due attention will be given to ensuring gender equality in terms of opportunities (training, employment, networks, and entrepreneurship), decision-making (participation in VPA Technical and Political Working groups, leadership) and benefit-sharing. For example, gender balances will be pursued in the envisaged formal trainings and in other capacity building activities leaving no one behind.

Gender inequality is a concern in Guyana. According to the United Nations Development Programme, women in Guyana earn on average 25% less than men for similar work. Women are also underrepresented in decision-making positions in politics and business. The Gender Development Index, which measures gender inequalities in

achievement in health, education, and income, was 0.913 for males and 0.804 for females in Guyana in 2019, indicating a significant gender gap.¹²

According to the 2020 Global Gender Gap Report, Guyana ranks 80th out of 153 countries in terms of gender equality. The report notes that women in Guyana have lower levels of political empowerment and economic participation than men.¹³ Globally, some progress on women's rights has been achieved. For instance, in 2023 35% of seats in parliament are held by women.

However, work still needs to be done in Guyana to achieve gender equality. 30.2% of women aged 20–24 years old were married or in a union before age 18. In 2018, 10.5% of women aged 15–49 years reported that they had been subject to physical and/or sexual violence by a current or former intimate partner in the previous 12 months. Maternal health care in Guyana also suggests disparities that affect women in the health care system (17 deaths in the maternity wards in 2022).

As of December 2020, only 35.2% of indicators needed to monitor the SDGs from a gender perspective were available, with gaps in key areas, in particular: unpaid care and domestic work and information and communications technology skills. In addition, many areas – such as gender and poverty, physical and sexual harassment, women's access to assets (including land), and gender and the environment – lack comparable methodologies for regular monitoring. Closing these gender data gaps is essential for achieving gender-related SDG commitments in Guyana. The information and data gaps on gender equality, especially in the forestry sector, constituted a significant setback in understanding the disparities that could exist in the forestry sector.¹⁴

This action will seek to apply indirectly a rights-based approach by zooming in on women in all their diversity, people with disabilities, in the wood industry value chain¹⁵, as well as indigenous and small Forest Sector Operators (FSOs), and civil society organisations (women's organizations working in human rights and gender equality, youth organizations, Disability organizations) involved in the wood industry. The method is inclusive and participatory.

The action will be gender mainstreamed and aligned with the Gender Action Plan III (GAP III), namely to the thematic area of engagement: *'Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation: Part Climate Change'*.

Human Rights

This programme contributes to the enhancement of legal compliance of all Forest Sector Operators (FSOs) in the Guyanese wood industry. Therefore, achieving the FLEGT licensing standard means that all FSOs (saw millers, exporters, small and large concessionaires, loggers) and their employees will adhere to local legislation in force, including labour laws and regulations. By extent, it is anticipated that working conditions and labour rights will have improved for FSOs and workers throughout the wood industry with support from this programme under the purview of the FLEGT VPA.

The action will apply a human rights-based approach respecting its five working principles: i) Applying all human rights for all; ii) Meaningful and inclusive participation and access to decision-making; iii) Non-discrimination and equality; iv) Accountability and rule of law for all; and v) Transparency and access to information supported by disaggregated data.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the action does not include activities that specifically aim at the persons with disabilities.

¹² Source: UNDP Guyana - Human Development Report, 2019

¹³ Source: World Economic Forum - Global Gender Gap Report, 2020

¹⁴ Country Level Implementation Plan – CLIP Guyana

¹⁵ Taking into account all their diversity (intersectional approach)

Nonetheless, throughout the implementation of the Action, due attention can be given to opportunities for involving persons with disabilities under the “leave no one behind” principle. (e.g. in the training sessions and active participation in the decision-making processes, consulting with disability organizations, encouraging inclusive communication, facilitating accessibility to premises used (or supported or build), or providing reasonable accommodation to facilitate their participation). Guyana has ratified in 2014 the Convention on the Rights of Persons with Disabilities (CRPD) therefore the Action will ensure that rights of persons with disabilities will be respected, and the planned activities are disability responsive and inclusive. The Action will invite to attend to organisations representing persons with disabilities (DPOs) when possible.

The Action will be in line with the EU Strategy for the Rights of Persons with Disabilities 2021-2030, and the EU Guidance Note Disability inclusion in EU external action.

Reduction of inequalities

Guyana is a country with high income inequality. According to the World Bank, the Gini coefficient, which measures income distribution, was 44.6 in 2016, suggesting that income is distributed very unequally, with a large gap between the richest and poorest households. According to the World Bank, the top 10% of the population in Guyana accounted for 43% of the total income in 2016, while the bottom 40% accounted for only 14.5% of the total income.¹⁶

There are also significant regional inequalities in Guyana. The interior regions of the country, which are largely inhabited by Indigenous communities, tend to have lower levels of development and access to services than the coastal regions, where the majority of the population lives. According to the 2018 Multiple Indicator Cluster Survey, poverty rates are highest in the interior regions of Guyana, particularly in Region 9 (Upper Takutu-Upper Essequibo; border with Brazil), where poverty rates are estimated to be over 80%.¹⁷

Access to education is also unequally distributed in Guyana. While primary school enrolment rates are high, access to secondary and tertiary education is limited, particularly in the hinterland. Indigenous communities also face cultural and linguistic barriers to education and some communities are lobbying for the inclusion of their ancestral languages in the national school curriculum. According to the World Bank, the net enrolment rate in secondary education was 53% in 2017, with significant disparities between regions and socio-economic groups. In the hinterland regions, the net enrolment rate was only 26%, compared to 72% in the coastal regions. Despite these disparities, the literacy rate in Guyana is pegged above 85% of the overall population¹⁸, whereas illiteracy affects more women than men (age 15 and over).

Democracy

Strengthening the institutional capacity of state actors is a major objective in the action. The enhanced capacities should enable them to better comply with their mandates in the areas of forest governance and sustainable forest management.

In addition, the action will support the effective implementation of participatory forest management arrangements, a modality that is foreseen by the VPA FLEGT, and hence involving local and indigenous communities, women and men in all their diversity in managing as well as using public forest resources.

Conflict sensitivity, peace and resilience

Not applicable

¹⁶ Source: World Bank - Guyana: Systematic Country Diagnostic, 2016

¹⁷ Source: UNICEF - Multiple Indicator Cluster Survey, 2018 Development Report, 2019

¹⁸ UNESCO statistics for Guyana

Disaster Risk Reduction

Not applicable

3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1	Climate action and forest conservation are no longer a priority in Guyana due to oil boom	Low	High	This risk is rather low. Strong political will has been manifested through long-term policy commitments by the government of Guyana. The MoU on Forest Partnership signed with the EU will help to cement this commitment to achieve global climate change goals.
3	Some stakeholders (such as TLAS agencies) may cause delays/ be slow to react	Moderate	High	The establishment of the Government Coordination Body and the existing NIWG will help to strengthen the participation of the TLAS agencies and address internal/interagency weaknesses, thereby curbing any risk of delays and resource gaps. Action's rights holders such as civil society organisations (including Indigenous Peoples and all others as indicated above) will benefit from capacity-building initiatives to strengthen their representation. The GFC Board and the Ministry of Natural Resources (MNR) will also minimize risks of delays.
3	Inadequate synchronicity/ coordination among different implementing partners/support programmes	Moderate	Moderate	This will be mitigated by the frequent JIF Donor Coordination meetings, weekly coordination meetings, monthly discussions between the Parties, the creation of the JIF annual monitoring tool and the creation of other mechanisms to enhance information sharing, synergies and communication. (including gender perspective
4	Fatigue of the Guyana counterpart in relation to the FLEGT-process (which is often lengthy in other countries)	Moderate	Moderate	This will be mitigated by the regular exchanges between the Parties on the process, e.g. through the monthly discussions. The Parties should also agree on a clear 'roadmap towards licensing' with sufficient details on the steps and actions that will be taken, and associated timeline. This will offer perspective to

				Guyana to reach licensing. The VPA workstream is also being coordinated with other processes to ensure coherence.
6	A gender-blind, neutral, or negative context and problem analysis could reinforce existing gender inequalities and non-realization of human rights in the sector, and hinder the efficiency and sustainability of the Action.	Low	Medium	<p>Knowledge and tools of gender mainstreaming are available.</p> <p>Gender-sensitive monitoring, use of sex disaggregated data, and gender-sensitive indicators.</p> <p>Gender mainstreaming is applied in all phases of the support services.</p>

Lessons Learnt:

Regarding implementation, so far the FLEGT VPA has benefitted from EU funded initiatives, including the FAO EU FLEGT programme, the European Forest Institute Technical Assistance Project (EFITAP) and the ongoing AFD EU FLEGT programme. Most of these programmes were centrally managed by the EC, which created a few challenges such as weak monitoring and reporting. Additional weaknesses included significant delays in project implementation, and incoherence between activities delivered and current priorities/objectives of the VPA. These challenges are compounded by the absence of physical presence of European implementing partners on the ground as well as the capacity gaps in the FLEGT Secretariat.

This action will seek to learn from these experiences, by establishing sound communication channels with the EU and the stakeholders that will further facilitate accountability for activities. Project performance will be measured against indicators that are linked to the Joint Implementation Framework (JIF) of the Guyana VPA, therefore ensuring coherence in results delivery. The EU's in-country management of the project will also seek to eliminate unnecessary delays in implementation starting phase. In-country management will also help to strengthen the EU's control in time management.

Further, this Action will add a rights-based approach to the Guyana EU FLEGT VPA by mainstreaming gender, disability and human rights in activities where relevant, and ensuring inclusive participation of Forest Sector Operators (incl. women-led), including Indigenous Peoples and others operating in remote areas (women's organizations working in human rights and gender equality, youth organizations, disability organizations).

Finally, by its implementation start date, this Action will have secured the EU's position as the sole donor to the Guyana EU FLEGT VPA, thereby placing the EU in a strategically strong position vis-à-vis the UK who has been a long-standing donor and continues to have high stakes in Guyana's forest sector.

Experience from other VPA-countries learns that FLEGT-processes are often very lengthy and complicated. Bilateral exchanges and coordination sessions between the Parties, e.g. the JMRC, will therefore be used to discuss concrete progress, and to agree on tangible next steps which will offer a pathway towards licensing.

3.5. The Intervention Logic

The underlying intervention logic for this Action is to strengthen Guyana's forest governance and to promote its sustainable forest management, in line with the Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT) between the EU and Guyana.

It is based on the general assumption that:

- (1) Guyana will continue to prioritise the FLEGT VPA and the sustainable management and use of its forests;
- (2) The JIF will remain the guiding instrument for VPA implementation;
- (3) The coordination and implementation of JIF activities do not suffer delays;
- (4) The TLAS agencies cooperate in a timely and efficient manner to achieve VPA requirements in line with JIF timelines;
- (5) The activities that will enable to achieve the outcomes already form part of Guyana's Joint Implementation Framework (JIF) which constitutes the operational basis for the implementation of the VPA. Considering Guyana's robust commitment to the VPA and the nature of outputs proposed in this action document, it is further assumed that all stakeholders will actively participate and engage.

The intervention is based on the fact that by:

- (1) Improving the regulatory framework and procedures in the forestry sector, as well as the strengthening of forest stakeholders' capacity to implement verification procedures in the TLAS system;
- (2) Developing sound, modern and user-friendly IT infrastructure that will support VPA implementation, as well as an independent audit to control the efficiency of the TLAS;
- (3) Delivering capacity building activities and training to TLAS agencies (government) and private sector operators to enhance their compliance with VPA standards and other capacity building and awareness raising activities to strengthen participation of forest sector stakeholders in VPA processes;
- (4) Monitoring of social and environmental repercussions of the VPA, a joint evaluation of the VPA (EU-Guyana) and capacity assessments to determine gaps in the timber sector.

Then:

- (1) Compliance of Guyana forest sector governance system with the EU Forest Law on Governance and Trade (FLEGT) requirements can be improved, including the operationalisation of the Timber Legality Assurance System;
- (2) Forest management stakeholders (government, private sector, civil society organizations) are better equipped to participate in the VPA process and the implementation of sustainable forest management practices;
- (3) Information exchange for FLEGT compliance between EU and Guyana partners and the long-term sustainability of the FLEGT VPA is ensured through implementation of VPA supporting measures.

Thus:

The Action will contribute to the achievement of a Green Economy via a low emission economic-development pathway, as specified in Guyana's Revised Intended Nationally Determined Contribution (2022) and its updated Low Carbon Development Strategy 2030 (LCDS).

Compliance through the Guyana Timber Legality Assurances System (GTLAS) is the basis of the VPA and requires the gradual overhaul of the wood industry in Guyana, so that wood products irrespective of market destination respond to EU FLEGT exigencies. This means eradication of illegal logging, application of due diligence for exports, enhanced monitoring of production forests, and compliance with local laws governing social security and labour practices. Combined, these promote the sustainable use of forests.

The FLEGT VPA remains high on the agenda of the government and forms part of the national Low Carbon Development Strategy 2030 (LCDS). Dialogues through the EU- Guyana Forest Partnership, which covers a broad range of topics beyond the FLEGT VPA, may constitute an additional space to address any challenges or other opportunities that this action might encounter.

3.6. Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain: Main expected results (maximum 10)	Indicators: (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To develop a Green Economy in Guyana. via a low emission economic-development pathway, by strengthening Guyana’s forest governance and sustainable forest management, with gender and HRBA approach.	1. GEF 2.7 Greenhouse Gas (GHG) emissions avoided (tonnes CO2eq) with EU support	1. TBD in the inception phase	1. TBD in the inception phase	1. Guyana INDC and reports to UNFCCC Secretariat	Not applicable
		2. GEF 2.13 Number of (a) jobs, (b) green jobs supported/sustained by the EU]‡(disaggregated at least by age and sex)	2. TBD in the inception phase	2. TBD in the inception phase	2. Guyana Bureau of Statistics	
Outcome 1	1. Improved compliance of Guyana forest sector governance system with the EU Forest Law on Governance and Trade (FLEGT) requirements, including to operationalise the Guyana Timber Legality Assurance system (GTLAS).	1.1 Status of Guyana Timber Legality Assessment System (GTLAS)	1.1 GTLAS not operational (2023)	1.1 GTLAS operational by <time>	1.1 Independent audit/joint evaluation results in the frame of the Action	Guyana will continue to prioritise the FLEGT Voluntary Partnership Agreement (VPA) and the sustainable management and use of its forests Guyana government earmarks sufficient human, technical and financial resources for implementation of VPA
		1.2. Level of compliance of the Guyana forest sector governance system with EU FLEGT requirements	1.2. Forest sector (incl. women-led ones) governance system is not compliant with EU FLEGT Requirement	1.2. Forest sector (incl. women-led ones) governance system is fully compliant with EU FLEGT Requirement	1.2. Results of the Independent audit on GTLAS and /joint evaluation on Voluntary Partnership Agreement (VPA) implementation in the frame of the Action (project reports)	

Outcome 2	2. Strengthened participation and improved compliance of stakeholders (government, private sector, vulnerable groups, civil society) in the VPA-process, and in the implementation of sustainable forest management practices	2.1 Number of private sector operators i) compliant to or ii) with action plans for reaching compliance with forest regulations of Guyana	2.1 Joint evaluation report and EU intervention monitoring systems (Intervention reports)	2.1 TBD at inception phase	2.1 TBD at inception phase)	
		2.2 Number of representatives of stakeholders from vulnerable groups of population participating in VPA process and implementing JIF activities, disaggregated by sex and location management rights (data disaggregated at least by age and sex)	2.2 EU intervention monitoring systems (Intervention reports)	2.2 TBD in the inception phase	2.2 TBD in the inception phase	
Outcome 3	3. Enhanced information exchange for FLEGT compliance between EU and Guyana partners and ensured the long-term sustainability of the FLEGT VPA, through the implementation of the VPA supporting measures, a Joint Evaluation, and strengthening of the private sector.	3.1 Number of FLEGT licensed Forest Sector Operators in Guyana	3.1 TBD in the inception phase	3.1 TBD in the inception phase	3.1. FLEGT licenses issued	
		3.2. Number of Forest Sector Operators in Guyana providing data in the information and monitoring system for due diligence check	3.2. 0 by 2023?	3.2. TBD in the inception phase	3.2. Records in the information and monitoring system for due diligence check	
Output 1 relating to Outcome 1	1.1 Improved legal-regulatory, administrative and technical capacities of the government authorities for ensuring the implementation of VPA	1.1.1. Status of the legal – regulatory review of the forestry sector	1.1.1 No legal – regulatory review completed by 2023	1.1.1 1 legal – regulatory review completed by <time>	1.1.1. The review report with recommendations for gaps, and its discussion	The JIF will remain the guiding instrument for VPA implementation

		1.1.2. Status of assessment of institutional capacities and forest control and verification procedures of the GTLAS agencies	1.1.2 No revision conducted by 2023	1.1.2 The revision conducted by <time> and includes proposed measures for improvement, guidelines and protocols	minutes with the key agencies	The coordination and implementation of JIF activities do not suffer delays The legal-regulatory review and assessment of capacities serve for legal-regulatory and institutional-administrative improvements, properly funded by the Guyana government and international partners.
Output 2 relating to Outcome 1	1.2. Forestry staff and other government entities have the necessary capacity to implement the control and verification procedures .	1.2.1 % of governmental agencies personnel with improved competences in forest governance, VPA and its instruments and reporting as a result of training provided in the frame of the Action, disaggregated by sex, agency, location	1.2.1 TBD by 2023	1.2.1.TBD by <time>	1.2.1. Pre- and post-training assessments; evaluation surveys/tests for participants	Trained personnel stay at their job and use the competences acquired through the Action efficiently
		1.2.2. Status of upgrade of <a technical system of specified agencies>	1.2.2. None by 2023	1.2.2. The <technical system of ... > is upgraded and includes <new functionality(ies)>	1.2.2. Report on installation, testing and training of the personnel; certificate on handover together with licences and post-installation service	The IT system is properly funded and maintained by the Guyana government

Output 3 Relating to Outcome 1	1.3. IT systems and databases have been developed and are being used to facilitate the implementation of VPA-related procedures	1.3.1. Status of IT systems and databases for VPA implementation	1.3.1. No IT system in place by 2023	1.3.1. IT system in place by <time>	IT system installation and test report; report on training of the IT personnel; licenses	
Output 4 Relating to Outcome 1	1.4. Independent audit(s) of the TLAS has been carried out to assess status of the implementation of the VPA	1.4.1. Status of GTLAS external audit and recommendations	1.4.1. No audit report provided by 2023	1.4.1. Audit report is produced and conclusions and recommendations are discussed with the relevant agencies with the purpose to amend the Joint implementation framework by <time>	1.1.6. EU intervention monitoring systems (Intervention reports)	
Output 1 relating to Outcome 2	2.1 Improved institutional capacities of the agencies involved in the GTLAS for efficient control and verification	2.1.1. % of specialists of GTLAS agencies who acquired improved capacities for supporting compliance of their institutions with VPA, disaggregated by sex, agency and location personnel who report sufficient knowledge and skills in after passing the (including Gender sensitivity training disaggregated by sex, age)	2.1.1. TBD 1. 0 by 2023	2.1. 1. TBD in the inception phase	2.1.1 Pre- and post-training assessments; evaluation surveys/tests for participants	Trained specialists stay at their institutions
Output 2 relating to Outcome 2	2.2 Enhanced capacity of private sector operators for compliance with forestry regulations and implementation of sustainable forest management practices, among other from a gender perspective	2.2.2. % of private sector representatives incl. women-led ones, who report sufficient compliance with forestry regulations after having passed capacity building exercise(s) (data, disaggregated at least by sex, age, and location)	2.2.2. TBD by 2023	2.2.2. TBD in the inception phase	2.2.2. Pre- and post-training assessments; evaluation surveys/tests for participants	Trained specialists stay at their job

Output 3 Relating to Outcome 2	2.3. Strengthened participatory capacities of forest sector stakeholders, with particular focus on indigenous peoples, women, and vulnerable groups	2.3.1 Number of forest sector stakeholders' representatives who were made aware on the participatory practices for VPA, Joint Implementation Framework and forest governance at large, disaggregated by sex and location (data disaggregated at least by age and sex)	2.3.1 0 by 2023	2.3.1 TBD in the inception phase	2.3.1. Dissemination lists, lists of participants to awareness building activities	Representatives of vulnerable groups use the knowledge acquired in their household activities
Output 1 Relating to Outcome 3	3.1. Improved capacities of GTLAS agencies for monitoring the social and environmental impacts of the VPA to map out the benefits of the process and be able to mitigate any negative impacts.	3.1.1. Status of VPA monitoring mechanism	3.1.1 No VPA monitoring mechanism by 2023	3.1.1 VPA monitoring mechanism developed and implemented with the support of the Action	3.1.1. Description and documents of the VPA monitoring mechanism, including relevant decisions of the related participating agencies	The 'monitoring and information' (due diligence, traceability?) system is properly funded and managed by Guyana authorities
Output 2 Relating to Outcome 3	3.2. Improved capacities of the forest value chain, particularly of SMEs (incl. women-led ones) are strengthened (in terms of value added, processing, innovation, entrepreneurship access to finance and markets, etc .)	3.2.1. Status of the joint evaluation of the FLEGT VPA	3.2.1. No joint evaluation conducted by 2023	3.2.1. Joint evaluation conducted by <time>	3.2.1. Pre- and post-training assessments; evaluation surveys/tests for participants	The Evaluation report feeds into decision-making for successful finalisation of the Joint Implementation Framework
Output 3 Relating to Outcome 3	3.3. Improved capacity of stakeholders for providing integrated information flows for monitoring due diligence across the wood supply chain, including demonstrating compliance with the requirements under the Deforestation Regulation in the wood value-chain.	3.3.1. Readiness of wood supply chains to the EU to comply with the Deforestation Regulation Number of wood value chain actors trained on information system for due diligence check (traceability) who acquired improved skills on reporting the parameters of wood products as	3.3.1. 0 by 2023	3.3.1. TBD in the inception phase	3.3.1. Pre- and post-training assessment	The trained company representatives contribute to the improvement of performance of their

		a result of the Action, disaggregated by sex, company and location				companies in the context of VPA
		3.3.2. Status of the information and monitoring system for information supply for due diligence check	3.3.2. None by 2023	3.3.2. Established with the support of the Action by <time>	3.3.2. The protocol of establishment of the info system and its deployment by the Guyana authorities	The trained value chain actors upload timber products information onto the monitoring and information system Entry into force of the EU Deforestation Regulation and application by the end of 2024/2025 and enforcement of relevant provisions

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁹.

4.3.1. Indirect Management with an entrusted entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Solid technical experience in forest-related projects. Relevant experience with the EU VPA FLEGT implementation process will be a strong asset;
- Proven experience in managing EU-funded projects;
- Availability of procedures for awarding direct grants to implementing partners;
- Able to mobilize a multidisciplinary team of experts related to targeted subjects on forest related topics;
- Preparedness to establish an officer in Guyana to closely monitor the project;
- Experience in working with the private sector and the civil society;
- Experience in providing support to private sector and to public institutions;
- Experience with the development and implementation of tools related to VPAs' Timber Legality Assurance Systems (TLAS) will be a strong asset.

The implementation by this entity entails the entire Action.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

¹⁹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3.	
Indirect management with an entrusted entity - cf. section 4.3.1.	2 000 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	may be covered by another Decision ²⁰
Totals	2 000 000

4.6. Organisational Set-up and Responsibilities

The overall coordination of this Action will be done by the EU Delegation Guyana and the Guyana Forestry Commission (GFC).

The Action, being integral part of the FLEGT VPA, will fall under the organisation and governmental structures already set up under the VPA, such as the JMRC and other technical coordination meetings.

In addition, JIF donor coordination meetings will comprise of at least representatives of the EU Delegation, the GFC, public bodies involved in the Action and the implementing partners. Gender balance and disability accessibility and inclusion shall be ensured. Meetings of the donor coordination meeting will be convened 3 times a year, with the possibility to organise additional ad-hoc meetings whenever there is a need or a request.

A Technical Coordination Mechanism will be set up at the beginning the Action with coordination meetings to be organised on ad-hoc basis according to the needs.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the Logframe (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

²⁰ ACT-61789 Support Measures

The Commission may undertake additional Intervention monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

- The EU Delegation and the GFC will have the overall oversight and monitoring role;
- The implementing partner will be in charge of identifying the baselines and monitoring the achievements of the indicators falling under their responsibility;
- The GFC is in charge of compiling data collected through national statistics.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex.

5.2. Evaluation

Having regard to the nature of the action, a final evaluation may be carried out for this action or its components via independent consultants contracted by the European Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action is promoting innovative approaches to the forestry sector and presents a complex set of actions.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination²¹. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

To that extent they must comply with the instructions given in the 2022 Guidance document Communications and raising EU visibility: Guidance for external action) or any successor document)

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as

²¹ See best [practice of evaluation dissemination](#)

appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.